



Daily Report

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Qian Qichen Enumerates Diplomatic Principles

HK0810053293 Hong Kong CHING PAO in Chinese
No 10, 5 Oct 93 p 53

[Article by Chen Chieh-hung (7115 3381 1738): "The Eight Principles of China's Foreign Relations"]

[Text] According to sources in Beijing, the CPC authorities called a joint session of the CPC Central Committee Political Bureau and the State Council (also known as the two committees meeting) in early September to listen to reports by Qian Qichen, vice premier and foreign minister, entitled "On the Development of Our Country's Diplomatic Work" and "On the Principles of Our Country's Foreign Relations." At the meeting, Jiang Zemin, CPC general secretary and PRC president, on behalf of the Central Committee Political Bureau, spoke highly of the State Council Foreign Ministry, praising its firm, comprehensive, and proper implementation of the country's diplomatic principles and policy in a complex international environment, which gave China prestige in the international community and which spurred on the four modernizations and the work of reform and opening. Jiang Zemin said: It has been proven through practice that Comrade Xiaoping's argument and theory on our country's foreign policy is in line with China's national conditions and is favorable to the cause of world peace.

The Main Points of the Foreign Relations Principles

The sources said that the report "On the Principles of Our Country's Foreign Relations" has eight main points:

1. China insists on opposing hegemonism and power politics and stresses that every country, irrespective of size and degree of affluence, should enjoy equal rights.
2. No country is allowed, under any pretext, to intervene in other countries' autonomy, internal affairs, and systems. The type of system that is implemented in a country can only be chosen and decided on by that country's people.
3. China insists on opposing the export of our own political system and ideology. It will also oppose any other country's effort to impose its own ideology on other countries or export its ideology through intervention and subversion.
4. China insists on refusing to reconcile with, make concessions to, or barter with countries pursuing hegemonism and power politics on the principled issues of autonomy and internal affairs.
5. China insists on strengthening friendly, harmonious, and cooperative relations with neighboring countries and respecting other countries' political and economic systems as the mainstay of our diplomatic work.
6. China insists on settling controversial border and island issues with neighboring countries through peaceful talks. For issues which cannot be settled for the time being,

efforts can be made to seek joint development or to maintain the status quo, but China opposes and refuses foreign intervention.

7. If neighboring countries face economic difficulties and are truly in need of economic assistance, China is willing to offer help as long as it is able to do so. No political conditions will be attached to this kind of help, and China will never pursue selfish interests through it.

8. China insists on establishing and developing normal relations with all countries throughout the world under the general principle of making contributions to regional, Asian, and world peace and on the basis of mutual respect which facilitates friendly exchanges between countries. China will never enter into or join an alliance with other countries.

Diplomatic Strategy Will Be Strengthened

Qian Qichen said: China is strengthening and developing its relations with Russia, the CIS, India, and the ROK. Sino-Japanese relations keep developing in accordance with the guidelines of the Sino-Japanese Communique. Although our political system is different from that of Singapore, Malaysia, Thailand, and Indonesia, we do not have any fundamental conflict of interests with them. Although some foreign countries have repeatedly fabricated fantastic stories to sow discord between China and those countries, the objective facts will not change; that is, we treat them as our friendly neighbors and true friends; we would like to extend our thanks to them because of their understanding of China, and we would also like to commend their positions on international affairs.

Qian Qichen also said: China and Pakistan cherish their longstanding friendship, which is being consolidated and developed. China has fully resumed its relations with Vietnam and has dispelled the brief period of pain as something of the past. After all, the two countries have decades of friendship and cooperation.

Qian Qichen also said: China is against any form of terrorism and all terrorist activities. Moreover, China opposes the practice of mobilizing troops under the pretext of fighting terrorism to enter other countries to hurt the common people—or even using fighters and missiles to damage other countries' property and kill the common people.

Qian Qichen's reports indicate that China will strengthen its diplomatic strategy of striving to ensure a peaceful environment.

Foreign Affairs Official on Overseas Relations

OW1010015993 Beijing XINHUA in English 0125
GMT 10 Oct 93

[Text] Beijing, October 10 (XINHUA)—China's people-to-people diplomacy has continued its significant role this year in promoting understanding and friendship between China and other nations and in helping create a sound environment for the country's modernization drive, according to a high-level official.

Liu Shuqing, president of the Beijing-based Chinese People's Institute of Foreign Affairs (CPIFA), made this conclusion in a recent interview with XINHUA.

By the end of last September this year, more than 70 groups of foreign visitors had come to China as CPIFA's guests. The figure is roughly equal to the number the institute received throughout 1992.

"Foreigners have shown a strong interest in this ancient land of miracles," Liu said. "More and more of them want to see for themselves the reform and opening drive, and economic performance in China."

As before, CPIFA has laid emphasis this year on developing and consolidating China's traditional ties of cooperation with its neighbors.

Of CPIFA's visitors during the past 9 months, the majority came from neighboring countries. They include S. Sawetsila, former deputy prime minister and privy councillor of Thailand; Sonia Ghandhi, widow of the late Indian Prime Minister Rajiv Ghandhi; former Bangladeshi Vice-President Moudud Ahmed [spelling of name as received]; former Australian Prime Minister R. Hawke, former New Zealand Prime Minister W. Rowling and a considerable number of visitors from the Commonwealth of Independent States.

This year, visitors from Europe and North America recorded a significant rise.

Helmut Becker, vice-president of the Federal Assembly of Germany, former Polish Prime Minister W. Pawlak and others came to China.

In addition, a total of 10 groups of U.S. congressmen flew to Beijing during the period.

In August alone, CPIFA received 5 groups of U.S. congressmen, which included Senator Max Baucus and Dan Glickman, chairman of the House Select Committee on Intelligence. "There are more U.S. congressmen in Beijing than in Washington this month," joked one visiting U.S. congressman.

In the meantime, Liu said, CPIFA has also paid attention to promoting ties with developing countries. CPIFA has received the president of the Commonwealth of Dominica C. Seignoret, former Uruguayan President J. Sanguinetti, former Tanzanian President J. Nyerere, former Zaire Prime Minister K.W. Dondo, and former Lebanese Prime Minister Rashid al-Sulh.

A CIS visitor told his host here that Beijing has undergone great changes compared with two years ago and that the visit had deepened his understanding of China.

Prior to his return to the U.S., one congressman said, "we knew too little about China. The lack of understanding leads, no doubt, to little trust," he said.

The congressman voiced the hope that U.S. and China will enhance high-level contacts, mutual understanding and trust, in the interest not only of the two peoples, but also of world peace and stability.

While promoting friendship between China and other nations, CPIFA, a renowned non-governmental diplomatic body, is also committed to erecting bridges for academic exchanges and economic and trade cooperation with the outside, Liu added.

Early this year, CPIFA introduced a U.S. delegation from the state of California to counterparts from Shanghai, which led to an agreement on the purchase of land use rights in Shanghai to build a California trade center.

Wang Zhongyu Addresses Asian Executives Symposium

HK1110064293 Beijing ZHONGGUO XINWEN SHE
in Chinese 1043 GMT 1 Oct 93

[Text] Shanghai, 1 Oct (ZHONGGUO XINWEN SHE)—Wang Zhongyu, minister of China's State Economic and Trade Commission, recently said here: "This year, China's economy will continue to maintain favorable development."

He indicated this when attending the "Asian Chief Executives Symposium" held in Shanghai for the first time, on behalf of Vice Premier Zhu Rongji and Vice Premier Li Lanqing.

The Asian Chief Executives Symposium was held by the well-known American journal BUSINESS WEEK, and such a symposium is held every year in "a city of international influence." Participants are all chief executive officers of large companies with annual sales of over \$250 million and are international celebrities. The subject of this year's meeting was the Asia-Pacific and the Chinese economic developments, tendencies, and impact on the world economy.

Wang Zhongyu told more than 100 leading financiers and entrepreneurs attending the symposium that, under the guidance of Deng Xiaoping's important talks and the spirit of the 14th CPC National Congress, China's modernization process has entered a new historical stage. Opening up to the outside world has been further expanded, economic structural reform has been advancing in depth, and a good situation marked by high-speed growth has appeared in the national economy. However, this year some new problems also appeared in economic life, and some problems were rather prominent.

Wang Zhongyu pointed out: In view of the problems appearing in the course of advances, the Chinese Government has adopted a series of policies and measures for intensifying and improving the state's macroscopic economic control in light of the actual needs of economic development and in-depth reform. China's practice and the international experience all show that necessary and timely state macroscopic economic control is a major guarantee for promoting the stable development of the national economy.

Wang Zhongyu said: As a high-speed train needs an effective speed control mechanism in order to ensure safety, economic cooperation must be subject to effective state macroeconomic control in order to keep itself from

disorder. The state macroeconomic system is an important component part of the socialist market economy. The measures to be adopted at present are mainly economic means, which are supported by necessary administrative means. The measures are aimed at solving the prominent contradictions and problems in the real economic life. They do not represent across-the-board retrenchment in any terms, nor are they imposed arbitrarily on all sectors of the economy. They will just result in further deepening reforms, transforming mechanisms, optimizing structures, enhancing economic efficiency, and guaranteeing the sustained, high-speed, and healthy development of the national economy. These policies and measures are being further implemented, and have achieved initial results.

Finally, Wang Zhongyu said: With improvement of the macroeconomic situation, this year China's economy will continue to maintain favorable development.

Zou Jiahua Meets Overseas Businessmen

OW1110141193 Beijing XINHUA in English 1340
GMT 11 Oct 93

[Text] Shenzhen, October 11 (XINHUA)—Chinese Vice Premier Zou Jiahua met today with about 80 overseas businessmen who have come here to attend talks on trade and economic and technological cooperation between Chinese enterprises and their overseas counterparts.

Zou said that participation in the talks reflects foreign businessmen's interest in China's development and willingness to enhance cooperation with China on the basis of equality and mutual benefit.

In recent years, Zou said, great progress has been made in Sino-foreign ties in the areas of economy, technology and investment.

The Shenzhen-based talks are aimed at promoting cooperation between large and medium-sized Chinese enterprises and foreign firms, he said.

Zou said he was convinced that the success of Sino-foreign economic ties will benefit both China and its foreign partners.

Chengdu International Seminar on Population Opens

OW1110132293 Beijing XINHUA in English 1311
GMT 11 Oct 93

[Text] Chengdu, October 11 (XINHUA)—An international seminar on population control opened today in Chengdu, the capital of Sichuan Province in southwest China.

The seminar is being sponsored by China's State Family Planning Commission and two United Nations' organizations.

A group of Chinese and foreign experts, including 17 U.N. officials, will join the meeting, which will focus on human reproduction.

One major topic is the search for the most safe and effective means of contraception, which is currently seen as one of the world's most pressing problems, according to the participants.

The issue is crucial to China, the most populous country in the world, which is actively carrying out a state family planning program.

High Technology Seminar Opens in Beijing 8 Oct

OW0810133693 Beijing XINHUA in English 1253
GMT 8 Oct 93

[Text] Beijing, October 8 (XINHUA)—A three-day seminar on the development of the sophisticated high technology in China opened here today.

The seminar, sponsored by the State Planning Commission of China, Chinese Ministry of Posts and Telecommunications and Ministry of Electronics Industry, Northern Telecom Company of Canada and Bell-Northern Research, is aimed at furthering the cooperation between the two sides in the telecommunication field.

Participants of the seminar will discuss issues such as the development of software, intelligence network, large-scale integrated circuits, multi-media service, photoelectron and radio communication.

The Northern Telecom Company, which has friendly cooperated with China for a long time, has signed a memorandum with Chinese side yesterday to jointly establish a very large scale integrated circuit (VLSI) plant and a design center, with a total investment of 100 million U.S. dollars.

Earlier this year, the company has also signed agreements with Henan, Jiangxi, Shaanxi and Yunnan province in central, northwest, east and southwest China respectively to equip them with 160 telecommunication facilities worth 159 million U.S. dollars.

World Engineering, Environment Meeting Opens

OW1210125893 Beijing XINHUA in English 1240
GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—The third world meeting on engineering and environmental matters opened here today at Qinghua University.

About 300 scientists and engineers from more than 20 countries and regions are attending the three-day forum.

Chinese State Councillor Song Jian said at the meeting that the Chinese Government has issued ten policy statements on environmental protection and development. All the departments of the state council as well as nongovernmental organizations are making constant efforts to spread clean-production technologies and adopt non-polluting hi-tech items, he said.

Qu Geping, chairman of the meeting and chairman of the Committee on Environmental Protection of the National

People's Congress, said that environmental problems are seriously hindering world economic development.

He said China too has long been suffering from pollution, imbalanced ecosystems, shortages of resources and a population explosion.

Qu claimed that, to guarantee economic development, China must pay more attention to engineering technologies that will improve the environment.

The first and second world engineering and environment meetings were held in 1981 and 1985 in Buenos Aires and in New Delhi, respectively.

Beijing Holds International Aviation Exhibition

OW1210092593 Beijing XINHUA in English 0758 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—The Aviation Expo/China '93 was officially opened here today in the China International Exhibition Center. It is the fifth international aviation exhibition held in Beijing.

Participating in the exhibition are 161 companies from 18 countries and regions: China, Australia, Canada, Germany, France, Ireland, Israel, Italy, Malaysia, the Netherlands, Norway, Russia, Singapore, Sweden, Thailand, Britain, the United States and Hong Kong.

The total exhibition area is 6,500 sq m, and the major exhibits include planes, engines, air traffic control and piloting systems, airport equipment and airborne equipment. The aviation products of China's Taiwan province, Israel, Norway and the Czech Republic are making their first appearance in the China international aviation exhibition.

China is exhibiting plane models including the MD-82 jetliner jointly produced by China and the U.S., the 50-seat Yun-7-100 passenger plane, 17-seat Yun-12, Yun-8 air freighter, new-type Super-7 fighter, Jian-8 fighter and some other multi-purpose planes, as well as many other aviation products.

China aviation officials said although the world's aviation industry is not so optimistic, China's air transportation has nonetheless been developing at an annual rate as high as 30 percent, attracting many overseas businessmen for cooperation in this field.

The exhibition, sponsored by China Aviation Supplies Corp. and four other companies, will end on October 16.

'Roundup' on Efforts To Reform Security Council

OW0910005093 Beijing XINHUA in English 2334 GMT 8 Oct 93

["Roundup" by Li Jianxiong: "Nations Push for Security Council Reform"]

[Text] United Nations, October 8 (XINHUA)—A call for reform of the U.N. Security Council, a popular topic

among diplomats here, is being intensified during the general debate at the 48th session of the U.N. General Assembly.

Of the statements delivered by heads of state, prime ministers or foreign ministers of member states, very few did not involve the issue of "equitable representation on and increase in the membership of the Security Council" in efforts for a more equitable geographical representation and a more transparent decision-making process.

It is the collective view and common aspiration of the membership that in the new circumstances the U.N. should be better equipped to address major international issues vigorously and effectively and in a fair and balanced manner.

In his speech entitled "Expanding the U.N. Security Council" Singaporean Foreign Minister Wong Kan Seng said that as membership of the United Nations expands, the Council should become more representative of the organization as a whole and must accurately reflect the current configuration of global power.

This has become a general expectation among U.N. member states. As the general membership has reached 184, they are of the opinion that membership in the Security Council should correspond to the increase. However, they differ as to the size of enlargement.

When the United Nations was established in 1945 with a membership of 51, there were 11 members in the Security Council, of which five were permanent. Discussions on an increase of non-permanent seats began in 1956. Agreement was reached in 1963 when the membership reached 113 and came into force in 1965, thus expanding the six non-permanent seats to 10.

This shows how complex it was to make the change. And what is much more complex is a proposed increase in permanent seats. However, "it is encouraging that this topic is now the subject of open dialogue," said Willy Claes, deputy prime minister and foreign minister of Belgium, also president of the Council of Ministers of the European Communities.

Brazilian Foreign Minister Celso Amorim said that the reform of the Council must be achieved in such a way as not to aggravate further the imbalance between the developed and developing countries in the decision-making process of the United Nations.

Lesotho Foreign Minister Molapo Qhobela voiced the interest of Africa. The continent accounts for almost one third of the U.N. membership, at least two permanent seats must be allotted to Africa, he said.

Many put forward other preferences for entry to permanent seats such as population and economic strength.

At the preliminary stage, it would be most useful to try to identify and build consensus on objective general criteria that all permanent members must fulfill, Singaporean foreign minister suggested.

A communique by the foreign ministers and delegation heads of the movement of non-aligned countries, issued here on October 4, emphasized the importance of ensuring transparency and enhancing credibility of the Security Council and of also ensuring that the role of the Security Council conforms to its mandate as defined in the U.N. Charter.

They also expressed the view that there should be a comprehensive review of the membership of the Security Council and related issues, emphasizing that the matter should be considered further by the General Assembly at the current session.

A world of difference lies in the discussion about the veto power, which only the five permanent member are entitled to.

Some suggested for a second-class of permanent members without the veto, some even wanted to do away with it. Others held the view that both are impractical.

Wong explained that "no country that is capable of making a contribution as a new permanent member will accept such second class status for long" and "the veto is a safety valve that prevents the U.N. from undertaking commitments it lacks the power to fulfill." However, he added, to minimize the misuse of the veto, there should be at least two vetos to block a resolution if permanent membership is expanded.

Addressing the General Assembly session, Chinese Vice-Premier and Foreign Minister Qian Qichen said that in keeping with the developments the U.N. should be restructured and the composition of the Security Council could be appropriately enlarged to enable the organization better to respond to the changes in the world, meet the concerns and wishes of the membership and enhance its role in international affairs.

Reform of the Security Council should enable it better to discharge its mandate in accordance with the purposes and principles of the U.N. Charter, he said, adding that the reform plan should undergo extensive hearings, discussions and consultations by the membership and should be generally accepted to all.

UN-Iraqi Talks on Nuclear Arms Make 'Progress'

OW0810142593 Beijing XINHUA in English 1402
GMT 8 Oct 93

[By Zhang Dacheng: "Iraqi-UN Talks End With Considerable Progress"]

[Text] Baghdad, October 8 (XINHUA)—Chief UN weapons inspector Rolf Ekeus and his team ended their seven-day talks with Iraq here this afternoon on implementation of UN Gulf war ceasefire resolutions with considerable progress.

Iraq has provided a list of the foreign suppliers of Iraqi weapons and new substantial data on the past production and the prohibited weapons. Ekeus said, describing the move as "an absolutely important step."

The Iraqi News Agency said the issue of turning over the list was settled when Ekeus and the International Atomic Energy Agency agreed to use the information only for "technical purposes."

Ekeus, chairman of the commission on scrapping Iraqi weapons of mass destruction, said before departing for New York via Bahrain that considerable progress has been made in both technical and political fields.

However, Ekeus said that the destruction of prohibited Iraqi weapons has not yet finished and Iraq's implementation of the long-term monitoring of its weapons programs is yet to begin.

"Iraq has not acknowledged Resolution 715," he said. "That is the outstanding problem of getting the future monitoring functioning in Iraq and that is why we have quite a way to go."

Ekeus said that Iraqi Deputy Prime Minister Tariq Aziz will go to New York in mid-November to continue the talks which are expected eventually to lift the three-year-old UN embargo on the sales of Iraqi oil.

On the long-sought list of foreign suppliers of Iraqi weapons, Ekeus said, "we'll take them back to New York to verify and analyze with specialists and experts."

Ekeus said he will present a joint report, signed by the special commission and Iraq this morning, to the UN Security Council to brief it in detail on the latest developments in the high-level Iraqi-UN talks, that have been held in Baghdad in July and in New York in September.

"It's too early to say that the Security Council is to decide on lifting the embargo and it's too early to conclude that Iraq is in compliance," Ekeus said.

Iraq wants Ekeus' commission to declare that Iraq has implemented the Gulf war ceasefire resolutions.

Ekeus said that on the political field, both sides discussed in depth the differences on the relations between the elimination of prohibited weapons in Iraq and the lifting of the embargo on Iraqi oil.

Ekeus said the special commission will send more teams of weapons inspectors to Iraq for monitoring any prohibited activities in the future.

The decision on lifting the sanctions is up to the Security Council, Ekeus said.

Iraq has argued that it has fully complied with the UN ceasefire terms and the United Nations should lift or ease the sanctions before it agrees to the UN request for long-term monitoring.

Iraq has also rejected a UN offer for a one-time 1.6 billion U.S. dollars worth of sales of oil under strict monitoring to fund the UN humanitarian aid and meet some of Iraq's Gulf war obligations.

DPRK Accuses IAEA of Forging Letter to UN*OW1210141293 Beijing XINHUA in English 1018
GMT 12 Oct 93*

[Text] Pyongyang, October 12 (XINHUA)—The Democratic People's Republic of Korea (DPRK) Monday [11 October] accused the United Nations and International Atomic Energy Agency (IAEA) of forging a letter of the UN secretary-general to pressure the country on the question of its alleged secret development of nuclear weapons.

"Some officials of the UN Secretariat and the IAEA Secretariat adopted a so-called 'resolution' at the IAEA General Assembly by abusing even the name of the UN secretary-general," said Choe Hak-kun, the DPRK's atomic energy minister, in a statement published in today's NODONG SINMUN newspaper.

He quoted the alleged letter, handed over to the recent 37th session of the agency's General Assembly, as saying that "the experience gained in dealing with the challenge of Iraq and North Korea shows that, if necessary, a strong international support including an active intervention of the UN Security Council, must be sought."

UN Secretary-General Butrus Butrus-Ghali, according to Choe, said he had no knowledge of the letter.

"I regret to hear about the letter sent to the General Assembly of the IAEA. I have never known that such a letter was sent. The letter would not have been sent, had I known its content. I did not sign it," the UN chief was quoted as saying during a meeting with the DPRK UN delegation in New York on October 7.

The minister urged the member countries of the UN and the IAEA to guard against the repetition of such acts which he said could damage the authority of the UN secretary general and impair the competency of international organizations.

He pointed out that the the scope of IAEA's injustice on the "nuclear problem" of the DPRK was being further expanded.

Thus, Choe declared, the DPRK would no longer negotiate with the IAEA and that the only way to end the crisis over its alleged nuclear weapons plans was direct talks with Washington.

Reportage on Activities, Policy in Somalia**President Clinton's Views***OW0710174993 Beijing XINHUA in English 1511
GMT 7 Oct 93*

[Text] Washington, October 7 (XINHUA)—U.S. President Bill Clinton has decided to send about 2,000 more troops to strengthen the U.S. forces in Somalia, it was reported here today.

At the same time Clinton has also set a deadline of next March 31 for the withdrawal of all American Forces from Somalia, THE NEW YORK TIMES quoted White House officials as saying.

By setting a specific withdrawal date, the newspaper said, Clinton hoped to ease Congressional pressure to end the U.S. mission in Somalia immediately, which increased after another U.S. soldier was killed and seven others injured after a mortar attack on Mogadishu Airport earlier today.

The President is to call together leaders of Congress for a briefing on his new timetable and the precise goals he is setting for the U.S. Forces.

However, officials admitted that the White House was uncertain whether Congress would accept prolonging the U.S. military presence in Somalia and have hinted that if Clinton is convinced the deadline will be rejected, he may move it forward.

Congress Wednesday [6 October] delayed a vote on what had become a deluge of calls for immediate withdrawal of the 4,700 U.S. troops already in Somalia, giving the President time to reformulate official U.S. policy before it was imposed on him.

'No Direct Negotiation' With Aidid*OW1010032693 Beijing XINHUA in English 0255
GMT 10 Oct 93*

[Text] Washington, October 9 (XINHUA)—U.S. President Bill Clinton said on Saturday [9 October] that the United States had not offered a cease-fire in Somalia and is not negotiating directly with General Mohamed Farah Aidid, local reports said.

"We didn't extend an offer of a cease-fire and there's been no direct negotiation," Clinton told reporters after visiting Yale University in Connecticut.

It was reported that Aidid, in his radio address Saturday night in Somalia, offered to stop his attacks on U.S. and U.N. peacekeeping forces and to negotiate a political settlement for his country. He called on U.S. and U.N. forces to stop their "terror campaign" against Somalia.

Aidid also offered to cooperate in an investigation into the June ambush killing of 24 Pakistani soldiers of the U.N. peacekeeping forces, which led to a series of military conflicts between U.N. troops and Aidid's forces.

Clinton said that he would welcome an offer to end the fighting by Aidid.

"If he's offering one, that's fine," Clinton said, "he ought to do it but it's not accurate to say we initiated it. But I welcome it."

The President also said he was very hopeful that Michael Durant, a U.S. soldier captured by Aidid's forces, would soon be released but insisted that "there have been no negotiations over that at all."

Clinton indicated Friday that the U.S. will not rule out the possibility that Aidid could join negotiations for a political settlement in Somalia.

The President has sent special envoy Robert Oakley to Somalia to get the process of political reconciliation "back in gear."

Oakley is trying to revive the tentative agreement reached by Aidid and the leaders of 14 other Somali clans last March to cooperate in creating a transitional government.

Clinton said today that the United States wants the African countries to take the lead in efforts to find a settlement among the Somali people.

"We believe that over the long run, the only way the Somalis can live in peace with one another is if their neighbors work out an African solution to an African problem," Clinton added.

U.S. Special Envoy Arrives

*OW1010130593 Beijing XINHUA in English 1223
GMT 10 Oct 93*

[Text] Nairobi, October 10 (XINHUA)—U.S. President Bill Clinton [words indistinct] wanted to support a political process which would permit it to bring an end to its role in the east African country.

But he emphasized that there had been no direct negotiations with General Aidid and it was not the United States that had initiated the ceasefire proposal.

However, it was reported that Clinton's special envoy to Somalia arrived in Ethiopia Saturday [9 October] to push attempts to arrange a ceasefire with Aidid.

Other reports say that there had been no serious clashes in the Somali capital, Mogadishu, since General Aidid broadcast his ceasefire offer later yesterday, but Americans were continuing their military build up.

Christopher on 'Mistakes' in Mission

*OW1010232193 Beijing XINHUA in English 2230
GMT 10 Oct 93*

[Text] Washington, October 10 (XINHUA)—U.S. Secretary of State Warren Christopher indicated today that some mistakes had been made for shifting a humanitarian mission in Somalia to an offensive mission to capture Gen. Mohamed Farah Aidid.

"There's no doubt that the mission changed somewhat in June, perhaps without a full understanding of the consequences of that," Christopher said on NBC's "Meet the Press."

The secretary said that "we got undue focus on the military side of this and not adequate focus on the political side."

Asked who made this decision in the U.S. Government to change the mission, Christopher said that "first, the decision was taken in the United Nations."

But he described the U.N. decision as an "understandable" and "natural" response. He said that "it's really quite rare to have United Nations peacekeeping forces attacked," referring to the June ambush killing of 24 Pakistani soldiers of the U.N. forces.

Christopher also said, "I think we're all responsible for that, right up to and including the President."

"We're part of this government," he added, "we take responsibility for that."

The secretary emphasized that the focus now is on the political process. "The focus is on setting up a commission to determine the responsibility for the killing of the Pakistanis and the Americans," he said.

Christopher made clearly [as received] that a commission will be set up by leaders of some African countries and "we're going to try to use the African leaders' assistance to provide an African solution to what is really an African problem."

Asked whether part of the U.N. mission is still to capture Aidid, Christopher said that "we have a United Nations resolution on that subject. But the focus of our effort has turned toward a political solution."

He said U.S. special envoy Robert Oakley now "is meeting with all the principal players in Mogadishu, excluding General Aidid, and I think we'll see some progress on the political front."

Pro-Aidid Demonstration Held

*OW1110074893 Beijing XINHUA in English 0729
GMT 11 Oct 93*

[Text] Nairobi, October 11 (XINHUA)—Some 2,000 supporters of Somali faction leader Mohamed Farah Aidid marched on the street in the capital Mogadishu yesterday, a day after Aidid made his ceasefire offer to the United Nations peacekeeping forces.

The demonstrators carried portraits of Aidid and chanted: "We need peace not war" and "the United States troops pull out now."

The pro-Aidid demonstration took place as U.S. President Bill Clinton's special envoy Robert Oakley arrived in Mogadishu.

Oakley is pursuing the formation of a transitional Somali government and trying to pave way for the disengagement of the U.S. troops.

U.S. Faces 'Tough Choices'

*OW1310015693 Beijing China Radio International in
English to Western North America 0400 GMT 12 Oct
93*

["News Analysis" from the "China Radio International Commentary" program]

[Text] The Somali issue appears to have reached a turning point after the United States indicated a change of policies. But the light is still dim. Here is Lin Shaowen with a news analysis:

[Begin Lin recording] U.S. envoy Robert Oakley has arrived in Mogadishu to seek a political settlement through negotiations, and that will be proof that diplomatic efforts are being stepped up for a peaceful solution. An international conference on Somalia will be held in Addis Ababa next week. The UN chief, the representatives of the Arab League, the Organization of African Unity, and the Organization of Islamic Conference will discuss a political solution to the problem.

The possibility of change in American policy was first reviewed last Friday by President Bill Clinton. He indicated that Washington will not rule out the chance that warlord Mohamed Farah Aidid could join negotiations for that settlement. He also said his country would like to see a probe into the killing of 24 Pakistani UN troops in early June. The United Nations has held Aidid responsible for the ambush and has issued a warrant for his capture.

The next day, Saturday, General Aidid offered to stop attacks on U.S. and UN peace-keeping forces, and negotiate a political settlement. He called on U.S. and UN forces to stop, what he called, a terror campaign against Somalia. The Somali faction leader also offered to cooperate in the investigation of the June ambush. President Clinton immediately welcomed the cease-fire offer and sent special envoy Robert Oakley to Somalia. But he denied there had been direct contacts with Aidid's faction.

The UN forces arrived in Somalia last December for humanitarian purposes. But since the clash in June, the peacekeepers have been engaged in fighting with Aidid's supporters. The forces launched several air raids on Aidid's faction and has been searching for Aidid himself. These clashes, of course, added casualties on both sides. In a recent incident a week ago, 12 U.S. soldiers were killed, two aircraft were shot down, a crew member captured. These actions have resulted in strong pressure upon the UN and the U.S. Italy and France have criticized the troops for not conducting the original mission. A number of Arab countries have criticized the killings and clashes. Scores of American congressmen have demanded that U.S. troops withdraw. The Clinton administration finds itself facing tough choices: to withdraw when some of his UN personnel are still in captivity, or to stay on in defiance of pressure.

A solution must be found for a decent disengagement. One thing seems to hint at that solution. President Clinton said on Saturday that he was very hopeful a U.S. soldier who was captured by Aidid's forces would soon be released. Earlier the U.S. President suggested a decent withdrawal from Somalia. While Clinton says there had been no negotiations on the release of the American soldier, other factors indicate that there may be secret talks of some sort. But, whatever the deal, peace is more important than anything else.

For China Radio International, I am Lin Shaowen. [end recording]

U.S. 'To Finish Job Right'

OW1310040793 Beijing XINHUA in English 0329
GMT 13 Oct 93

[Text] Washington, October 12 (XINHUA)—U.S. President Bill Clinton said today the United States "cannot withdraw from the world we have done so much to make" despite the crises in Somalia and Haiti.

Speaking to a gathering in the University of North Carolina, Clinton said the post-Cold War world "is full of hope, but not without its heartbreak."

Clinton said he decided to double the U.S. forces in Somalia as a prelude to bringing them all home. "I am determined to finish that job quickly, but also to finish the job right," he added.

The President also said, "The United Nations can do more good than ever before, but clearly there are limits to what outside forces can do to solve the severe internal problems of some countries."

However, he claimed that "the United States cannot withdraw from the world we have done so much to make."

Clinton spelled out his world view on the day he announced to withdraw the U.S. forces that had been blocked by angry demonstrators from entering Haiti.

The President warned against returning to isolationism despite the increasingly complex and difficult foreign policy crises facing his administration and the world.

Clinton To Seek Renewed Sanctions Against Haiti

OW1310034893 Beijing XINHUA in English 0254
GMT 13 Oct 93

[Text] Washington, October 12 (XINHUA)—U.S. President Bill Clinton said today that the United States is withdrawing its forces from the Port-au-Prince of Haiti and is going to press for the reimposition of sanctions against the island country.

Under the July 3 Governor's Island agreement, about 200 U.S. and Canadian noncombat forces were dispatched on Monday [11 October] as part of a technical assistance mission in Haiti but were blocked by angry demonstrators from entering the country.

"I have no intention of sending our people there until the agreement is honored. What I intend to do now is to press to reimpose the sanctions," Clinton told reporters at the White House.

International sanctions against Haiti were lifted after the July agreement was signed. Under the agreement, ousted President Jean-Bertrand Aristide of Haiti is due to return to his country at the end of the month.

Earlier today, Secretary of State Warren Christopher criticized Haitian Army chief Raoul Cedras and police commander Michel Francois for violating the agreement that they undertook last July when they agreed to allow the restoration of democracy in their country.

Clinton said Cedras and Francois are supposed to leave their posts. "They're going to have to go through with this if they expect to have a normal existence," he added. "Otherwise, the United States is going to press to reimpose the sanctions."

Clinton also said, "I will not have our forces deposited on Haiti when they cannot serve as advisers, when they can't do what they are asked to do."

However, the President didn't consider the agreement dead, saying that "I still think it will come back to life. But right now it has been abrogated by people who have decided to cling to power for a little bit longer apparently."

Yeltsin in Japan 'To Solve Economic Issues'

OW1210010193 Beijing Central People's Radio Network in Mandarin 2230 GMT 11 Oct 93

[“By a foreign-based station reporter;” from the “News and Press Review” program]

[Text] Russian President Yeltsin arrived in Tokyo last night [11 October] on a three-day visit to Japan. In an interview with reporters at the airport prior to his departure, Yeltsin said the main purpose of his visit to Japan was to solve economic issues. He hoped the Japanese would not raise the question concerning the four northern islands to the detriment of his visit, causing a renewed interruption in bilateral economic cooperation. On the Russian domestic situation, Yeltsin said the situation has been brought under control, and he has no doubt about this.

United States & Canada

Tian Jiyun Meets Visiting U.S. Entrepreneurs

HK1310112493 Beijing ZHONGGUO XINWEN SHE in Chinese 1026 GMT 9 Oct 93

[By reporter Zhou Jianmin (0719 1696 7044): “Tian Jiyun Meets Delegation of Chinese-American Entrepreneurs”]

[Text] Beijing, 9 Oct (ZHONGGUO XINWEN SHE)—Tian Jiyun, vice chairman of the National People's Congress Standing Committee, said here this afternoon that as long as both sides are willing to seek common grounds while reserving differences and to seek mutual understanding and mutual accommodation, China and the United States will not find it too difficult to reach a consensus of opinion and to solve the differences and problems between them.

Tian Jiyun said this when meeting with a delegation of Chinese-American entrepreneurs.

Tian Jiyun said: At present, Sino-U.S. relations are at a delicate stage. Your visit will help promote the improvement of Sino-U.S. relations.

Tian Jiyun said: China and the United States share major common interests. Proceeding from the fundamental interests of the two countries, the two sides will not find it hard to solve the differences and problems. Some may not be solved for the time being, but they will be solved in the long run. With the in-depth development of China's reform and opening, economic and trade relations between China and the United States will develop further, and the two sides gradually will reach a consensus of opinion, so there is no need to act with undue haste.

Study Center for 'Outstanding Black Leader' Set Up

OW1210142893 Beijing XINHUA in English 1049 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—A ceremony was held here this afternoon to mark the 125th anniversary of the birth of Dr. W.E.B. Du Bois, an outstanding black leader and noted scholar of the United States and Africa.

It was announced at the meeting that a study center on the black scholar has been set up.

Chinese President Jiang Zemin sent a congratulatory message to the meeting, in which he said that the convening of the meeting and the establishment of the China Du Bois Study Center were of great importance.

Dr. Du Bois devoted his whole life and made great contributions to the emancipation of American and African blacks, and to mutual understanding and friendship between the Chinese and American and African peoples, Jiang said.

Dr. Du Bois also left many glorious works behind, Jiang said, adding that he wished that Du Bois' great spirit and cause will be immortal, said Jiang, who is also general secretary of the Central Committee of the Communist Party of China.

Huang Hua, president of the China Society for People's Friendship Studies, and Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, addressed the meeting, which was sponsored by the association and the society.

Among those attending the celebration were some Chinese scholars, artists, writers and leader of relevant departments. Many foreign experts working in China and some diplomatic envoys of African countries based in Beijing also took part.

Former Secretary of State Haig Meets Scholars

OW1310111093 Beijing XINHUA in English 1054 GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Visiting former U.S. Secretary of State Alexander M. Haig had a discussion here today with Chinese scholars and experts on Sino-U.S. relations and other issues of common interests.

Following the discussion, Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, gave a dinner in honor of the guest.

XINHUA on Proposed U.S. Health Care Plan

*OW1310083493 Beijing XINHUA in English 0735
GMT 13 Oct 93*

["Roundup": "White House Assures Early Health Plan Amid Doubts"]

[Text] Washington, October 13 (XINHUA)—Amid mounting doubts about whether Bill Clinton actually has a plan to overhaul the nation's ailing medical system, the White House assured Americans on Tuesday [12 October] that the President's repeatedly delayed plan would go to the Congress as early as next week.

"We're obviously working very hard on it, and it's important to get it up there as soon as possible," said White House Press Secretary Dee Dee Myers. "I would say it could come as soon as next week."

President Clinton said on January 25 that he wanted to send Congress a comprehensive legislation to revamp the health care system "within 100 days in our taking office."

But after three false starts, he has so far only publicly outlined his plan in an address to congress on September 22.

When Clinton's top aides suggested last week that they may need as much as five more weeks to make decisions on a number of details of the plan, more Americans were growing skeptical about whether Clinton actually has the plan he is selling in an all-out campaign.

"Everybody talks about the plan," said Frank Dunvall, an 62-year-old machinery operator. "I haven't seen any plan. I don't know of anybody that can hand me a paper and say, 'this is the plan.'"

"What he calls a plan now is no plan," Christine Harrison, a 38-year-old housewife, told THE WASHINGTON POST. "It is like telling you to sign this contract, but we haven't filled in everything yet. I just feel like a pawn."

A WASHINGTON POST poll released on Tuesday [12 October] showed that eight out of 10 surveyed said they did not think Clinton has a complete plan in hand for restructuring the nation's 900-billion-dollar-a-year health care system.

The poll also found that among those who think there may be a Clinton plan, worries are increasing about its costs and its impact on both health services and the U.S. economy.

But Clinton has promised in his address to Congress to bring soaring health care costs under control while offering a package of comprehensive health care benefits to every American, including the 37 million people now without health insurance.

The poll showed that 34 percent of those surveyed said Clinton's plan would bring them even worse quality of health care while only 19 percent said it would be better.

It also revealed that 73 percent say the Clinton plan will hurt small businesses and 50 percent think it will hurt insurance companies and the middle class.

As public disapproval of the plan has grown from 24 to 39 percent, the White House rejected suggestions that the legislation could be delayed by as much as five weeks.

"I think there is a lot of urgency attached to it," Dee Dee Myers told reporters.

The major problem causing the delay is how to finance the reform. According to a draft Clinton plan sent to lawmakers before his address to Congress, the government can provide a package of comprehensive health care benefits to 37 million uninsured Americans with savings from other health programs.

But experts found the figures don't add up. A key democratic lawmaker called Clinton's figures a "fantasy." Some analysts say there is a 120 billion dollar annual financing gap and it can only be filled with a massive hike in taxes.

Clinton promised not to impose new taxes except a so-called sin tax on tobacco and possibly alcohol, because any general tax would provoke strong opposition to his plan.

"We're making good progress on it. We're working through the final numbers on financing, things like that," Myers said. "This is a difficult process. But I think things are going well, and we expect it'll be sooner rather than later."

Southeast Asia & Pacific

Fatherland Front of Vietnam Delegation Visits

Ye Xuanping Hosts Banquet

*OW1210122693 Beijing XINHUA in English 1153
GMT 12 Oct 93*

[Text] Beijing, October 12 (XINHUA)—Ye Xuanping, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here this evening with a delegation from the Fatherland Front of Vietnam headed by Pham Van Kiet, vice-chairman and secretary-general of the front's Central Committee.

The meeting was followed by a banquet Ye hosted in the delegation's honor.

At the invitation of the CPPCC, the Vietnamese delegation arrived here Monday [11 October], and will later visit Dalian and Guangzhou.

Li Ruihuan Urges 'Closer' Ties

*OW1310093693 Beijing XINHUA in English 0916
GMT 13 Oct 93*

[Text] Beijing, October 13 (XINHUA)—A senior Communist Party Official, Li Ruihuan, today called for closer

good-neighborly relations between China and Vietnam, when he met with a delegation of the Vietnamese Fatherland Front.

Li is a Standing Committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee and chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

He said that China and Vietnam, both confronted with the task of pushing forward the national economy and improving the people's living conditions, needed a peaceful and stable international environment.

Noting that Sino-Vietnamese ties have moved forward fairly fast in various fields during the past few years, Li stressed that to further such ties of good-neighborliness and cooperation was in accord with the fundamental interests of the two peoples and useful for peace and development in the Asia-Pacific region.

As the CPPCC had many things in common with the Vietnamese Fatherland Front, the two organizations should have more contacts and make such contacts an effective channel for exchange and cooperation between China and Vietnam, he said.

The Vietnamese visitors are led by Pam Van Kiet, vice-chairman and secretary general of the Vietnamese Fatherland Front.

Pham Van Kiet said that as both Vietnam and China were undergoing reform and opening up, the Vietnamese Fatherland Front and China's CPPCC should have closer ties and share each other's experiences.

Also taking part in the 30-minute meeting was Vice-Chairman of the CPPCC National Committee Ye Xuanping.

Philippine Congressional Delegation Visits

Qian Qichen: Exchanges 'Important'

OW1110120993 Beijing XINHUA in English 1138
GMT 11 Oct 93

[Text] Beijing, October 11 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this afternoon with a delegation from the Foreign Relations Committee of the Philippines' Congress headed by Blas Ople, chairman of the committee.

Qian said that exchanges between the parliaments of the two countries constitute an important part of bilateral relations.

Qian said that because parliamentarians represent their constituencies, exchanges between parliaments are bound to enhance the understanding and friendship between different peoples. Congressional ties will also promote the development of international partnerships and cooperation.

This morning, Zhu Liang, chairman of the Foreign Affairs Committee of China's National People's Congress (NPC), held talks with members of the Philippine delegation. The two sides exchanged opinions on issues of common concern.

The 16-member delegation arrived here on October 9 at the invitation of the foreign affairs committee of NPC. Zhu Liang hosted a banquet in the group's honor on the evening of October 9.

Qiao Shi: 'No Major Problems' in Ties

OW1210084993 Beijing XINHUA in English 0721
GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met a delegation from the Foreign Relations Committee of the Philippines' Congress led by its chairman Blas Ople here this morning.

Qiao said that China and the Philippines had enjoyed very good relations. There existed no major problems between the two countries, he added.

He expressed the hope that bilateral ties would be further expanded on the present basis.

In developing such ties, he said, the parliaments of the two countries should play more important roles.

Noting that bilateral economic ties and trade were developing, Qiao said it was his hope that the two countries would make common efforts to find new ways to further push forward such ties.

Ople said he had had a successful discussion with the Foreign Affairs Committee of the NPC on issues of common interest.

He said he was very pleased to note that relations between China and the ASEAN (the Association of the Southeast Asian Nations), including the Philippines, had been newly enhanced. The total volume of trade between them amounted to more than 8 billion U.S. dollars.

He said he hoped that the volume between the Philippines and China would increase further as soon as possible.

During the meeting, Qiao Shi recalled with pleasure his recent visit to the Philippines.

Taking part in the meeting were Cao Zhi, secretary-general of the NPC Standing Committee, Zhu Liang, chairman of the Foreign Affairs Committee of the NPC, and the Philippine Ambassador to China, Felipe Mabilangan.

Zhu Liang Meets Group

OW1210094293 Beijing XINHUA in English 0826
GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—Zhu Liang, chairman of the Foreign Affairs Committee of China's National People's Congress (NPC) and vice-president of

the Chinese Association for International Understanding, met with a delegation from the Philippines here today.

The eight-member delegation is headed by Jovito Salonga, former president of the Senate of the Philippines. He is also former chairman of the Philippine Liberal Party.

Boundary Inspection Team Arrives in Burma

OW1310083193 Beijing XINHUA in English 0800 GMT 13 Oct 93

[Text] Yangon [Rangoon], October 13 (XINHUA)—A Chinese delegation to the Joint Boundary Inspection Committee led by Chief Representative Xu Wenyi arrived here this afternoon to attend the second meeting of the second Sino-Myanmar [Burma] Joint Boundary Inspection Committee.

The delegation was welcomed at the Yangon Airport by Colonel Tun Aung, director-general of the Myanmar Survey Department and chief representative of the Myanmar delegation to the committee.

The meeting is scheduled to be started from October 14 in the capital of Yangon.

Sichuan Governor Fetes Thai Delegation

HK1210090093 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 6 Oct 93

[Text] Yesterday afternoon, Vice Governor (Xu Zhongming) met in Chengdu's Jinliu Hotel with a four-member delegation headed by Mr. (Guosai Wanaqingda), Thai Foreign Ministry Economic Department deputy director. The Thai delegation is visiting Sichuan by invitation at the moment. Mrs. (Guosai Wanaqingda) was also present during the meeting.

(Xu Zhongming), as well as comrades in charge of Chengdu City, Chongqing City, and various provincial government departments concerned, briefed the Thai guests on Sichuan's economic development and investment environment.

In the evening, Governor Xiao Yang held a banquet in honor of the Thai guests.

Near East & South Asia

Reportage on Israeli Prime Minister Rabin's Visit

Trip 'Proceeding Very Smoothly'

OW1310074293 Beijing XINHUA in English 0721 GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—China's parliament leader Qiao Shi and visiting Israeli Prime Minister Yitzhaq Rabin, in a meeting here this morning, agreed that a new chapter has been opened for Sino-Israeli relations.

Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC), voiced happiness with

the smooth expansion of Sino-Israeli cooperation in different fields after the two countries forged diplomatic ties early last year.

Qiao noted that during this visit, Rabin has had "very good talks" with both President Jiang Zemin and Premier Li Peng, saying that as the first Israeli prime minister to visit China, Rabin has "opened up a new chapter" for Sino-Israeli relations.

Rabin described his visit as "proceeding very smoothly," saying that he enjoyed every minute of it and acknowledged the wishes for cooperation on the part of China, according to a Chinese Foreign Ministry spokesman.

The Jewish people have always admired the Chinese people and the two ancient nations have both successfully kept their respective characteristics, while adjusting to needs for development at different times, Rabin said, adding that he hoped for constant expansion of Israel-China relations.

Rabin gave an account of the latest developments in the Middle East. Qiao called the Israeli-PLO (Palestine Liberation Organization) peace accord signed in Washington last month "an important one." He expressed the hope that the two sides will make continued patient efforts so as to push ahead on the path of peace.

In the meeting, Rabin handed Qiao a letter of invitation from speaker of the Knesset, Israel's parliament, in the hope that Qiao will have the opportunity to visit Israel.

Qiao, expressing his thanks for that, said the NPC is willing to enhance contacts with the Israeli Knesset, which he believes will contribute to the growth of relations between the two countries.

Meets Chi Haotian in 'Friendly Atmosphere'

OW1310074993 Beijing XINHUA in English 0729 GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Visiting Israeli Prime Minister Yitzhaq Rabin, who is also minister of defense, met with Chinese State Councillor and Minister of National Defense Chi Haotian here this morning.

Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army (PLA), attended the meeting, which proceeded in what a Chinese Foreign Ministry spokesman called "a friendly atmosphere."

In the meeting, Chi extended a warm welcome to Rabin on behalf of the Chinese Ministry of National Defense, saying that along with the growth of bilateral ties, the friendly contacts between the armies of the two countries will increase, which will result in the deepening of mutual understanding and friendship.

Rabin said that he is delighted to meet with Chi and he hoped the relations and exchanges between the two armies will continue to expand.

Sees PRC Role in Implementing Peace Accord

OW1310090393 Beijing XINHUA in English 0853
GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Israeli Prime Minister Yitzhaq Rabin expressed the conviction today that China could play a positive role in helping to ensure a conducive atmosphere for implementing the Israeli-PLO (Palestine Liberation Organization) peace accord.

Rabin voiced the belief in an interview with XINHUA and later at a press conference, after completing most of his program in Beijing. The Israeli prime minister left here this afternoon for Shanghai, the next leg of his five-day official goodwill visit to China.

China could play a positive role in encouraging the peace process, he said. "China has got good relations with many of the Arab-Islamic countries in the region, and no doubt, the support of China for the agreement between the PLO and Israel, which was expressed publicly, can bring about assistance to the implementation of the agreement."

Rabin also said that he believed that support from a country like China would help "mute the opposition" to the Israeli-PLO accord.

Summing up the achievements of the visit, with which he was "very satisfied," Rabin said he had "met great friendship on the part of the Chinese leadership to Israel, readiness to assist in the advancement of the (Middle East) peace process and new opening for cooperation on a bilateral basis."

On bilateral relations, the prime minister pointed to the need to improve mutual understanding, which he said would be enhanced by more exchanges of visits. Towards that end, Rabin said he had given invitations to Chinese President Jiang Zemin, Premier Li Peng and Chairman Qiao Shi of the Standing Committee of the National People's Congress.

The Chinese Minister of Agriculture, Liu Jiang, who is currently chairman of the Government Reception Committee, would visit Israel later this month, Rabin disclosed.

Referring to meetings between personalities of the Israeli business circles who are travelling with him, and their Chinese counterparts in the last two days, Rabin said that "a mechanism has been established" to explore possibilities for expanding the scope of bilateral cooperation.

Rabin said he had come "at a proper time," a month after Israel and the PLO signed the peace accord in Washington, which he said "formed a new basis and created a new atmosphere" for developing Israel-China relations.

Rabin Denies Transfer of U.S. Military Technology

TA1310055993 Jerusalem Qol Yisra'el in Hebrew 0500
GMT 13 Oct 93

[Text] Prime Minister Yitzhaq Rabin said Israel did not transfer U.S. technology to China in contravention of

agreements with the United States. We have no interest in endangering our agreements with the United States, Rabin said. The talk about \$1 billion in Israeli sales to China is baseless, Rabin said. Karmela Menashe, our correspondent in China, said Rabin told a news conference in Beijing that China's support for the PLO and its links with the Arab states can aid the peace process.

On the start of today's talks with the Palestinians, he said that the military committee on Gaza and Jericho will be a test of the implementation of the accord with the PLO and a model for the interim period settlement. Without significant progress in that committee's deliberations everything else will be marginal, he said. The prime minister leaves today for Shanghai.

Calls Report 'Total Nonsense'

OW1310073593 Tokyo KYODO in English 0716 GMT
13 Oct 93

[Text] Beijing, Oct. 13 KYODO—Israeli Prime Minister Yitzhaq Rabin, on a five-day visit to China, Wednesday [13 October] called a recent CIA report accusing Israel of selling billions of dollars of military equipment to China "total nonsense."

"We have never done anything against American law, Rabin said in response to the report which appeared Tuesday in New York. "Therefore, we have never transmitted any item of technology that we got from the United States and (which) we are the end user (of). We are not stupid enough to endanger 3 billion dollars in grants that we get for military and civilian purposes (from the United States)." [quotations as received]

He added, "Whoever will look at the balance of payment between China and Israel would realize that we have sold a little bit over 60 million dollars last year and this year. We have (military) relations, but they are not done in contradiction to our commitments, by law, by agreement with the U.S."

Rabin, the first Israeli prime minister to visit China, said that the four-week old Israeli-Palestinian peace accord was at the center of his high level meetings with the Chinese leadership.

He asked Chinese Premier Li Peng and President Jiang Zemin to play a role in the peace process despite China's longstanding relationship with the Palestinian Liberation Organization.

"We have never seen any contradiction between anyone outside of the Middle East who has relations with both sides," he said. "(China) can contribute to encourage the countries, the peoples that support peace and hopefully to mute the opposition to peace negotiations, and to the peace process."

The Israeli leader told reporters that Chinese weapon sales to Arab countries, and "all the issues related to the peace negotiations and to those who oppose the peace" were discussed, but he refused to go into details.

Premier Li accepted an invitation to visit Israel, he said, and invitations for Jiang and National People's Congress Qiao Shi were extended.

China's Agriculture Minister Liu Jiang will visit Israel this month, Rabin said.

Further on Remarks

*OW1310080693 Beijing XINHUA in English 0751
GMT 13 Oct 93*

[Text] Beijing, October 13 (XINHUA)—Israeli Prime Minister Yitzhaq Rabin today refuted a U.S. Central Intelligence Agency (CIA) report, which alleged that Israel has sold billions of dollars of arms, including advanced military technology, to China.

According to the balance of payment, "We'd realize that we have sold a little over 60 million dollars last year and this year. All the stories about billions of dollars of arms businesses... are total nonsense," Rabin told a press conference, after completing most of his program in Beijing.

Asked to comment on the CIA's accusation that Israel has sold original American technology to China, Rabin said "We have made it clear time and again that we have never done anything against American law." Therefore, Israel has never transmitted any item or technology from the United States without its permission, Rabin said. "We are the end user."

Asked about Israel-China military ties, Rabin said that "We have relations, but they are not done in any way in contradiction to our commitments by law or by agreement with the United States."

"I'm really sorry that from time to time there are leaks that cannot be proved about Israel doing something which is contradiction to our commitments to the United States in the field of defense," he said.

Delegation Arrives for Sino-Arab 'Dialogue'

*OW1210203993 Beijing XINHUA in English 2010
GMT 12 Oct 93*

[Text] Cairo, October 12 (XINHUA)—A Chinese delegation arrived here this evening for the second round of the Chinese-Arab dialogue, due to begin in the Egyptian capital Thursday [14 October].

The delegation is led by Wu Xueqian, vice-chairman of the national committee of the Chinese People's Political Consultative Conference.

Upon arrival, delegation leader Wu told XINHUA that this round of Chinese-Arab dialogue will take place at a time when the Middle East situation is experiencing great changes and the Palestine Liberation Organization (PLO) and Israel have signed a peace agreement.

He said he is delighted to have dialogue with Arab brothers on economic issues, the Middle East situation and expanding Chinese-Arab friendly relations and cooperation. He added that the dialogue will be conducive to

developing Sino-Arab relations and to peace in the Middle East and the world as a whole.

The four-day dialogue between the Chinese and Arabs, the first of its kind in Egypt, is expected to focus on issues related to Chinese-Arab ties under the new international order, the future of economic and popular relations between China and the Arab world, Middle East problems from the Chinese and Arab perspectives, analysis of the burning international issues and political strategies, economic reform and the Chinese policy of opening to the outside world.

Chinese and Arab businessmen will also take part in the dialogue for the first time to discuss aspects of economic and trade cooperation and development between the two sides.

This is unlike the first round of Chinese-Arab dialogue held in Beijing in May last year, during which discussions were restricted to the political aspects only.

The Chinese delegation was greeted at the airport by Ahmed Hamroush, chairman of the Egyptian Committee of Afro-Asian Solidarity, which organized the dialogue, and several Egyptian officials.

The Chinese delegation comprises 22 members including prominent personalities in the political, economic and academic fields.

Participating in the dialogue are representatives of nine Arab states, namely, Tunisia, Palestine, Sudan, Syria, Yemen, Iraq, Libya, Kuwait and Egypt.

Mutual 'Cooperation' Promoted

*OW1110183793 Beijing XINHUA in English 1758
GMT 11 Oct 93*

[By Liu Shun, Huang Juyin]

[Text] Cairo, October 11 (XINHUA)—The Arabs and Chinese are promoting their dialogue in order to enhance their cooperation in the political, economic, commercial and cultural fields.

Ahmed Hamroush, chairman of the Egyptian Committee for Afro-Asian Solidarity, and the Chinese Ambassador to Egypt, Zhu Yinglu, today agreed that the second round of Arab-Chinese dialogue will provide a good opportunity to strengthen the Sino-Arab ties of friendship and cooperation, particularly after the Cold War.

The two men were speaking three days before a new round of Arab-Chinese dialogue begins in Cairo on October 14.

Hamroush told reporters that the Arab-Chinese dialogue is to be held in Cairo for the first time after the end of the Cold War, and will, therefore, constitute a very good opportunity to strengthen closer relations between China and Arab states in various spheres.

Unlike the first round held in Beijing, the Chinese capital, last May, which was restricted to only political figures, Arab and Chinese businessmen will for the first time

attend the scheduled four-day session to discuss economic and trade cooperation, Hamroush said.

The Chinese ambassador said the Chinese Government is extremely interested in the Arab-Chinese dialogue.

Though the dialogue is at the people-to-people level, the 22-man Chinese delegation led by Wu Xueqian, former foreign minister and now vice chairman of the Chinese People's Political Consultative Conference (CPPCC), will consist of prominent personalities in the political, economic and academic circles.

Zhu said the Chinese and Arab sides will exchange views in the course of the dialogue over matters of mutual interest regarding the political situation in the middle east and Asia and the world at large.

The dialogue will be of particular importance in promoting mutual understanding and strengthening ties of friendship between China and Arab states, said the ambassador.

He added that economic and trade relations between both sides have witnessed a noticeable development over the past few years.

The Chinese-Arab trade volume mounted to about 3 billion U.S. dollars in 1992, he said, expressing hope for further development and expansion of mutual investments through this dialogue.

Representatives from nine Arab states—Egypt, Tunisia, Palestine, Sudan, Syria, Yemen, Iraq, Libya and Kuwait—will take part in the forthcoming Arab-Chinese dialogue.

Qiao Shi Holds Talks With Kuwaiti Guests

OW1310072493 Beijing XINHUA in English 0656 GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Qiao Shi, chairman of China's National People's Congress Standing Committee, said here today that China would make efforts along with the international community to accelerate the settlement of the Kuwaiti POW issue.

Qiao made these remarks at a meeting with Shaykh Salim al-Sabah, chairman of the National Committee for Missing Persons and POW Affairs from Kuwait, and his party here this morning.

Qiao said China attached great importance to developing its friendly relations and cooperation with Kuwait which had stood the test of changes in the world.

China sympathized with the pains that the Kuwaiti people suffered during the Gulf war, especially with some broken families in Kuwait, he said.

He said that at the very beginning of the Gulf war, China time and again stressed that Kuwait's sovereignty, independence and territorial integrity should be respected.

It was China's consistent stand that the relevant resolutions on issues of the Gulf war approved by the Security Council of the United Nations should be fully implemented, he said.

Qiao said the Chinese Government and people very much understood the concern that the Kuwaiti Government and people had shown, and were willing to make efforts along with the international community to promote the settlement of the POW issue.

The proper settlement of this issue would be beneficial to the healing of the wounds of war and also to peace and stability in the region, he said.

Salim said that Kuwait was one of the first countries in the Gulf region to establish diplomatic ties with China. The two countries had enjoyed very good relations. Kuwait paid a great deal of attention to China's important position and role in the world.

He expressed hopes for all-round development of friendly relations and cooperation between the two countries.

While briefing Qiao on the current stage of the POW problem, Salim said that Kuwait had done a lot in the U.N. and in the Arab League in the hope that this issue would be solved at an early date.

This was an issue of pure humanism, he said, adding that solving this problem would benefit all the parties.

Yang Fuchang, vice-minister of foreign affairs, took part in the meeting.

Sub-Saharan Africa

Zambian President Chiluba on Official Visit

Interviewed Prior to Visit

OW0910211793 Beijing XINHUA Domestic Service in Chinese 0407 GMT 7 Oct 93

[By reporter Qiu Xiaoyi (6726 1321 4135)]

[Text] Lusaka, 6 Oct (XINHUA)—During an interview with this reporter on the eve of his visit to China, Zambian President Chiluba said Zambia and China had had long, close, and friendly relations; and that on this solid foundation, relations between the two countries would continue to develop.

Chiluba said China had provided much aid for some of Zambia's important economic sectors, including assistance for the construction of railroads and highways and the development of industrial and agricultural projects. He believed that, on the basis of mutual trust and respect, the prospects of cooperation between the two countries were broad.

Chiluba said: Currently, Zambia is implementing a structural economic readjustment plan, is on the way to establishing a market economy, and is changing its economic system. In the last few months, some good signs have emerged in Zambia's economy: its currency has begun to stabilize, its inflation has tended to decrease and its inflation rate will reach a more reasonable level by the end of this year. As a result, Zambia's economy will gradually turn for the better and its people's livelihood will improve.

Chiluba said: Both Zambia and China are making reforms; the two countries have some similarities. Zambia can learn from and use China's experience and can learn many things from China's economic development miracle.

Turning to the situation in southern Africa, Chiluba said South Africa's peace and democratization process was encouraging, but at the same time, people were concerned about violence there. He urged all parties concerned in South Africa to take measures to end violent conflicts. He said: African National Congress President Mandela, President De Klerk, and Inkatha Freedom Party Chairman Buthelezi visited Zambia on separate occasions this year. Zambia worked with them and persuaded Buthelezi to take part in the peace process and not to boycott it.

Views 'Importance' of Ties With Jiang

*OW0910091193 Beijing XINHUA in English 0842
GMT 9 Oct 93*

[Text] Beijing, October 9 (XINHUA)—Visiting Zambian President Frederick Chiluba and his Chinese counterpart Jiang Zemin had an 80-minute discussion here today, stressing the importance of Sino-Zambian ties and exchanging views on other issues.

Chiluba, who arrived here Friday [8 October] on a five-day state visit, told Jiang that his first ever visit to China is aimed at seeking more extensive cooperation with China.

Jiang reaffirmed the Chinese Government's desire to work together with the Zambian side to consolidate and develop Sino-Zambian friendship and cooperation.

Discussing the importance of President Chiluba's current visit, Jiang said that the visit will definitely help push forward the friendly ties between the two countries.

Jiang said that in the past 29 years since the establishment of their diplomatic ties, the traditional Sino-Zambian friendship has stood the test of time and become stronger. The two sides have cooperated extensively in the political, economic, cultural and other fields.

Jiang praised the Zambian Government under the leadership of President Chiluba for developing the national economy, improving the people's living conditions and safeguarding domestic stability and unity. He also thanked Zambia for supporting China in international affairs.

He reiterated China's position of joining hands with Zambia and other developing countries to establish a fair and reasonable international political and economic order.

Jiang said that as a developing country, China can only offer limited assistance to friendly countries. But such assistance is sincere with no conditions attached. The assistance is aimed at helping the recipient countries to tap their resources and manpower to achieve better social and economic results.

Jiang also praised President Chiluba for his statement that Zambia will continue to pursue a "one China policy." He

also briefed the visitor on China's views on the current international situation and China's economic development.

Chiluba said that Zambia, which is now undergoing a major change, is building up the Zambian people's confidence and developing the national economy by relying on its own strength as well as help from China and other friendly countries. All this is aimed at maintaining state independence and sovereignty, he added.

He praised China for its fast-growing economy and the government's sound economic policies. He also appreciated the Chinese people's hard-working spirit in national construction.

After the talks, the representatives of the Chinese and Zambian Governments signed an agreement on trade and economic and technological cooperation and the notes on China supplying Zambia with a batch of general goods. Presidents Jiang and Chiluba attended the signing ceremony.

Earlier today, Jiang presided over a welcoming ceremony in honor of President and Mrs. Chiluba.

Feted by Jiang, Qian Qichen

*OW0910121793 Beijing XINHUA in English 1141
GMT 9 Oct 93*

[Text] Beijing, October 9 (XINHUA)—Visiting Zambian President Frederick Chiluba and Mrs. V. Chiluba were honored at a banquet here tonight given by Chinese President Jiang Zemin.

Present were Chinese Vice-Premier and Foreign Minister Qian Qichen and Vice-Chairman Sun Qimeng of the National People's Congress Standing Committee, as well as senior Zambian officials accompanying President Chiluba on the visit.

Earlier today, Mrs. V. Chiluba visited a kindergarten in downtown Beijing.

Meets Li Peng on African Issues

*OW0910142893 Beijing XINHUA in English 1419
GMT 9 Oct 93*

[Text] Beijing, October 9 (XINHUA)—Chinese Premier Li Peng and visiting Zambian President Frederick Chiluba conferred on international affairs, African issues and Sino-Zambian ties here today.

Describing Zambia as an important country in Africa, Li said that China and Zambia have a traditional friendship. He expressed the conviction that Chiluba's China visit will play an important role in pushing forward the Sino-Zambian ties.

Noting that Sino-Zambian relations have a sound basis, he said the Chinese and Zambian peoples have all along supported each other and forged a strong friendship, and that the Chinese Government will continue to work for the promotion of bilateral friendship and cooperation.

Li Peng stressed two points when he discussed China's experience in national construction. First, China must take economic development as the central task and follow the reform and open-up policy, in accordance with Deng Xiaoping's theory on building socialism with Chinese characteristics and, second, national construction needs domestic stability and peaceful international environment.

Dwelling on international issues, Li Peng said that the present international economic order is unfair and unequal.

"The prices for raw materials are going down while technical prices are going up, putting the developing countries in a very unfavorable position," he noted. Therefore, he added, to change such an international economic order is an urgent and important issue facing the whole world.

Li continued that there are no conflicts of fundamental interests among the developing countries including the African countries, hence their disputes should be settled through peaceful consultation.

China has all along sympathized with and supported the South African people's struggle against apartheid and it is pleased to see that progress has been made in resolving problems in southern Africa.

Chiluba held that his China visit will become a new milestone in the Sino-Zambian relations. He also thanked China for its support and assistance to Zambia over the years.

Discussing African situation, he told Li Peng that the Organization of African Unity (OAU) has decided to establish an African security and control mechanism, with the hope that problems in Africa will be settled in the framework of the OAU.

Earlier today, Chinese and Zambian officials signed an agreement on economy and technology cooperation and a summary of the first meeting of the Sino-Zambian economic and trade mixed committee.

Sees 'Economic Partnership' With PRC

OW1010102793 Beijing XINHUA in English 0929 GMT 10 Oct 93

[Text] Beijing, October 10 (XINHUA)—Visiting Zambian President Frederick Chiluba said here today that the future Zambia-China relationship will be one of cooperation, or economic partnership.

He made the statement in an exclusive interview with XINHUA prior to his departure for Hefei, capital of Anhui Province in east China, to continue his five-day visit in China.

The Zambians, highly appreciative of China's traditional friendship and assistance, are now looking for "a more meaningful and more productive relationship with China," he said.

"We want to move away from merely receiving help from China and are eager to do business with China so that

wealth can be created by our own people. The aid Zambia receives today is not just for consumption but for creating more wealth. This is our new approach, and a new spirit of my people, my government and myself," the president said.

He believes that such a new-type relationship with China will be more durable and profound.

"My people are bubbling with confidence and determination. They are working and not slowing down. And our national economy is now turning around," Chiluba said.

He said that this makes him more confident in the old saying, "there is a will, there is a way."

The Zambian new approach is highly appreciated by the Chinese hosts, he said.

Chiluba said that his discussions with Chinese leaders went "extremely well," with the two sides reaching understanding on many issues including a new economic partnership relations between Zambia and China in the future.

The understanding adds to the Zambians' confidence that the new-type relationship will work, Chiluba concluded.

Leaves Hefei for Shenzhen

OW1110142093 Beijing XINHUA in English 1404 GMT 11 Oct 93

[Text] Hefei, October 11 (XINHUA)—Visiting Zambian President Frederick Chiluba left Hefei, the capital city of east China's Anhui Province, for Shenzhen to continue his China visit.

During his stay here, he has met with Fu Xishou, governor of the province, and visited some factories and a village.

Leaves Shenzhen for Hong Kong

OW1210133593 Beijing XINHUA in English 1324 GMT 12 Oct 93

[Text] Shenzhen, October 12 (XINHUA)—Zambian President Frederick Chiluba left here today for Hong Kong, concluding his China visit.

During his stay here, Chiluba met with Li Youwei, mayor of Shenzhen, and visited a exhibition hall, two factories and a scenic spot.

West Europe

UK Lower House Delegation Arrives in Beijing

OW1210115293 Beijing XINHUA in English 1140 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—Zhu Liang, chairman of the Foreign Affairs Committee of China's National People's Congress (NPC), met with and gave a dinner in honor of a delegation from the Foreign Affairs Committee of the British House of Commons led by its chairman David Howell here this evening.

The visitors arrived here this afternoon as guests of the Foreign Affairs Committee of the NPC.

Their current visit is aimed at acquainting themselves with China's long-term development and strategy, foreign policy as well as economic and political structure reform.

Sino-British Ties To Be Discussed

HK1310011593 Hong Kong Asia Television Limited in English 1200 GMT 12 Oct 93

[From the "Main News" program]

[Text] A delegation from Britain's Foreign Affairs Committee is in Beijing for meetings with Ambassador Sir Robin McLaren and Chinese officials to discuss Sino-British relations. Libby-Jane Charleston reports from Beijing:

[Begin recording] [Charleston] The deadlocked negotiations have raised concern in both Britain and China that relations between the two countries have deteriorated to the point where some analysts believe a miracle must take place before a solid agreement is reached that would satisfy Beijing, London, and Hong Kong. Britain has sent a delegation comprised of its Foreign Affairs Committee to meet with all parties concerned to try and sort out the reasons behind the stalemate and its future repercussions. Committee chairman David Howell says he plans to discuss a wide range of issues, including the political talks and the state of current relations.

[Howell] We think they are basically very good. There are one or two problems, but we think they can be overcome.

Mr Howell says he is hopeful Sino-British relations can be improved and rise above the current row. [end recording]

NPC Vice Chairman Meets Delegation

OW1310071093 Beijing XINHUA in English 0621 GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Qin Jiwei, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the House of Commons of the United Kingdom headed by Committee Chairman David Howell here this morning.

The visitors arrived here Tuesday [12 October] as guests of the NPC Foreign Affairs Committee. Apart from Beijing, they are scheduled to visit Shanghai and Guangzhou.

NPC Vice Chairman Meets British Arts Council

OW1210092293 Beijing XINHUA in English 0728 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—Wang Guangying, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Lord Peter Palumbo, chairman of the Arts Council of Great Britain, and his party here this morning.

Lord Palumbo and his party arrived here October 9 as guests of the Chinese Ministry of Culture. After their stay here, they are scheduled to visit the cities of Xian, Guilin, Shanghai and Suzhou.

Portuguese Attorney-General on Official Visit

Meets Counterpart Zhang Siqing

OW1010130493 Beijing XINHUA in English 1249 GMT 10 Oct 93

[Text] Beijing, October 10 (XINHUA)—Zhang Siqing, procurator-general of the Supreme People's Procuratorate of China, held talks with Portuguese Attorney-General Jose Narciso da Cunha Rodrigues here today.

Zhang and Rodrigues briefed each other on the prosecuting systems of China and Portugal, and exchanged views on ways to enhance exchanges and cooperation in the judicial field between the two countries.

In the evening, Zhang hosted a dinner for the Portuguese visitors. Chinese Minister of Justice Xiao Yang was present on the occasion.

Talks With Jiang Zemin

OW1110081593 Beijing XINHUA in English 0750 GMT 11 Oct 93

[Text] Beijing, October 11 (XINHUA)—Chinese President Jiang Zemin met with Portuguese Attorney-General Jose Narciso da Cunha Rodrigues [spelling of name as received] here this morning.

Jiang and Rodrigues discussed developing the relations of friendship and cooperation between China and Portugal.

Speaking highly of the friendly cooperation between the two countries in the transition period for Macao, Jiang said that the cooperation showed that problems left by history can be solved through friendly consultations.

Since the two governments signed the joint declaration on Macao in 1987, Jiang said, the two sides have cooperated very well in carrying out the document and progress has been made in solving the issues arising in the transition period. He expressed hope that the two countries will jointly work for a smooth transfer and hand-over of power in Macao.

Chinese Premier Li Peng visited Portugal last year, followed by the exchange of visits of foreign ministers of the two countries and visit to Portugal by Chinese Vice-President Rong Yiren last month. All these exchanges helped promote the development of the bilateral ties, Jiang said.

He also expressed appreciation for Portugal's efforts in developing cooperative relations between China and the European Economic Community (EEC).

Rodrigues, expressing appreciation for the progress China has made in developing the economy and its reform and

opening to the outside world, said China is playing an increasingly important role in international affairs.

Portugal is willing to work to further develop friendly and cooperative ties between the two countries and to ensure the smooth transfer of Macao, he said.

Zhang Siqing, procurator-general of the Supreme People's Procuratorate of China, was among those attending the meeting today.

Netherlands Trade Minister: Visit 'Fruitful'

OW0810162593 Beijing XINHUA in English 1606
GMT 8 Oct 93

[Text] Beijing, October 8 (XINHUA)—On the eve of her departure for Shanghai, Yvonne C.M.T. Van Rooy, Dutch foreign trade minister, expressed satisfaction with her current visit to China at a press conference here this evening.

Van Rooy called her meetings and discussions with Chinese Vice-Premier Li Lanqing, minister of foreign trade and economic co-operation Wu Yi, and other leaders of Chinese ministries and corporations "positive, constructive and fruitful."

She said that the Chinese side showed great commitment to reaching trade targets set between the two sides.

Van Rooy said she was convinced that the two countries will meet those targets by increasing Dutch exports to China.

She said China and the Netherlands will co-operate actively in the ship-building, banking and insurance sectors, and in the development of airports and in chemical production.

She pointed out that the Dutch Government will continue to promote exports to and investment in China. She added that the Netherlands strongly believes in the potential of the Chinese market, as well as the Asian market as a whole. Van Rooy said that, therefore, the Netherlands wants to be present in Asia, and China in particular, at the opening of the next century.

She said that she is travelling to Shanghai, Fuzhou and Xiamen to hold seminars focused on creating trade opportunities for business people of the two countries.

The Chinese and Dutch Governments last year agreed to increase Dutch exports to China to achieve balanced trade relations. The target for this year is over one billion Dutch guilders in exports to China.

Van Rooy said she came to China with the largest business delegation ever organized by the Netherlands, which is a sign of the strong interest held by the Dutch private sector in doing business in China.

Li Lanqing Meets Netherlands Executive

OW0810141293 Beijing XINHUA in English 1245
GMT 8 Oct 93

[Text] Beijing, October 8 (XINHUA)—Chinese Vice-Premier Li Lanqing met here this afternoon with Aarnout A. Loudon, chairman of the management board of the Akzo from the Netherlands, and they held a cordial and friendly talk.

The Akzo, a transnational chemical corporation from the Netherlands, produces refined chemicals, artificial fibers and medicines.

State Councillor Meets German Economic Delegation

OW1310090793 Beijing XINHUA in English 0842
GMT 13 Oct 93

[Text] Beijing, October 13 (XINHUA)—Luo Gan, state councillor and secretary general of China's State Council, met here this afternoon with an economic delegation of the state of Bavaria of Germany.

The delegation, headed by Otto Wiesheu [spelling of name as received], Bavarian minister for economics and transport, has come to China to attend a Sino-German economic forum held in Shanghai, at the invitation of the China Council for the Promotion of International Trade.

Liaoning Economic Exhibition Opens in Germany

SK0910085493 Shenyang LIAONING RIBAO in
Chinese 22 Sep 93 p 1

[By reporter Guo Xichen (6753 3156 1057) and correspondent Bi Fujian (3968 1788 0256): "China-Germany Economic Day and Liaoning Provincial Economic and Trade Symposium and Exhibition Ceremoniously Open in Leipzig"]

[Text] On 21 September, the weather was fine and pleasant in Leipzig, an important economic and cultural city in the eastern part of Germany. At 0900 local time, the China-Germany Economic Day and the Liaoning Economic and Trade Symposium and Exhibition ceremoniously opened at the Leipzig Exposition Center. Ten red lanterns were hung in front of the 13th Exhibition Hall, and tens of flower pots were placed on both sides of the hall. More than 1,000 foreign guests and traders streamed into the exhibition hall to participate in the opening ceremony.

Speaking and cutting the ribbon at the opening ceremony were Wolf [name as transliterated], chairman of the Oriental Economic Committee of Germany; Showmo [name as transliterated], vice governor of Saxony Lander; Glober [name as transliterated], mayor of Leipzig city; Wu Yi, minister of foreign trade and economic cooperation of China; Yue Qifeng, governor of Liaoning Province; and Mei Zhaorong, Chinese ambassador to Germany. Governor Yue Qifeng and Minister Wu Yi delivered speeches at the ceremony and cut the ribbon at the opening of the exhibition.

The economic and trade delegation of the Chinese Government, headed by Minister Wu Yi in the company of Vice Governor Gao Guozhu, also attended the opening ceremony.

Chairman Wolf presided over the opening ceremony. He said: Liaoning is the "Ruhr Industrial Zone" of China. It is the first time Liaoning has held such a large-scale trade symposium in Germany. We should make full use of this opportunity to expand economic and trade cooperation with Liaoning Province.

In his speech, Governor Yue Qifeng first pointed out that Germany is an important economic partner of our province. Since the commencement of reform and opening up, our province has imported more than 400 kinds of techniques and equipment, valued at \$350 million, and German traders have initiated 18 joint venture enterprises of three types in the province, with the total investment reaching \$71.35 million. This has laid a foundation for further developing cooperation between the two sides. Some 100 production plants in 14 cities and some 30 foreign trade corporations in the province participated in this symposium and exhibition, and 506 economic and technological items and more than 1,000 varieties of commodities were provided for consultation and transaction. Governor Yue Qifeng emphatically introduced the province's excellent situation in which the superior investment environment has made foreign economic relations and trade develop considerably. He said: Liaoning is an important coastal area of China opened to the outside world, and it is a province where heavy industry is predominant and whose economy is relatively developed. Liaoning is rich in natural resources, solid in industrial foundation, strong in scientific and technological forces, and has convenient traffic, transportation, and communications facilities. In addition, Liaoning is continuously perfecting its policies and rules relating to foreign affairs and nationals, thus becoming more attractive to foreign

investment. Import and export trade has increased at an average rate of more than 15 percent. In 1992, the provincial import and export trade volume amounted to \$7.64 billion, utilized a total of \$13.238 billion in foreign investment, and initiated 5,680 joint venture enterprises of the three types.

Governor Yue Qifeng stressed in conclusion that the old industrial base Liaoning built in the 1950's was the first pioneering program. In line with the demand of opening up, particularly with the important speeches of Deng Xiaoping during this south China trip and the demand of establishing the socialist market economy, we set forth the strategic task of the "second pioneering program." At present, the focus should be put on importing funds and advanced technology, equipment, and managerial experience from abroad to renovate the Liaoning old industrial base.

Wu Yi, minister of foreign trade and economic cooperation, delivered a long speech on strengthening economic and trade cooperation between China and Germany.

After the opening ceremony, Governor Yue Qifeng accompanied Minister Wu Yi and Ambassador Mei Zhaorong to inspect the exhibition rooms of the 14 cities and various import and export cooperation exhibitions of the province. They also met with Liberhair, Jr. [name as transliterated], first vice president of German's Liberhair Corporation; Dr. Oberlante [name as transliterated], vice president of Skite Corporation; Shaomolate [name as transliterated], director of Saxony Lander industrial and commercial association; and Mrs. Wolf Fat [name as transliterated], central chairwoman of the international Leipzig Exhibition Center. They also attended the ceremony on signing the agreement of intention on cooperatively producing engineering machines with a joint fund of about 7 billion yuan in Renminbi by Anshan Hongqi Tractor Plant and Liberhair Corporation.

Political & Social

Further Reports on Jiang's Guangdong Inspection

Reviews Troops, Speaks

HK0810145393 Beijing JIEFANGJUN BAO in Chinese
2 Oct 93 p 1

[Article by reporter Wang Wenjie (3769 2429 2638) and special reporter Zhu Dacheng (2612 1129 2052): "While Inspecting Troops Stationed in Guangdong, Central Military Commission (CMC) Chairman Jiang Zemin Delivers Important Speech, Stressing Need To Study and Use Deng Xiaoping's Thinking on Army Building in New Period To Guide Work in Various Fields"]

[Text] The shout "Comrades, you have done a good job!" by Jiang Zemin and the response "Serve the people!" by the officers and men reverberated on the broad sea off Zhanjiang. This was a scene of Chairman Jiang Zemin inspecting a certain naval unit. From 24 to 27 September, Jiang Zemin, CPC general secretary, PRC president, and CMC chairman, went to Guangdong on an inspection tour. He boarded naval vessels to call on officers and men. He gave an important speech about domestic and international situations and military affairs when he met with officers at the divisional level and above stationed in Guangdong.

On the afternoon of 25 September, naval vessels of all sorts in the Zhanjiang naval port flew flags from stern to stern to show the naval force's greatest esteem for Jiang Zemin. Accompanied by General Zhang Wannian, chief of general staff of the People's Liberation Army (PLA), and other leading comrades, Chairman Jiang went on board naval vessel No. 754. With a prolonged sound from the siren the military review at sea began. Chairman Jiang waved greetings to all naval vessels. Thousands of officers and men queued up on the decks of various naval vessels to receive inspection by CMC Chairman Jiang, showing their gallant uniforms and unique charm.

Comrade Jiang Zemin was appointed chairman of the CMC in November 1989. In the last four years, he traveled all over the country. Wherever he went, he called on the officers and men of locally stationed PLA units and armed police. On 6 June 1992, he inspected a naval unit in Zhanjiang and wrote an inscription for the vessel Zhanjiang to the effect: "Take good care of your warship, develop your unit into the best armed force through repeated training, and fight bravely to safeguard peace." On the second day of his second visit to Zhanjiang in September, he was travel-worn and weary but reviewed naval units that were undergoing training. He boarded the vessel Zhujiang, had a cordial conversation with the officers and men, and had a group photo taken to mark the occasion.

On the afternoon of 26 September, Chairman Jiang gave an interview to some officers and men of the armed police in Guangzhou and visited some veteran leading comrades of the Guangzhou Military Region. Later, in the small

auditorium of the military region, rang Chairman Jiang's sonorous voice in which he gave an important speech to 200 officers at the divisional level and above stationed in Guangzhou.

Chairman Jiang first stressed the need for the People's Army to submit itself to the party's absolute leadership at any time. He said: The brilliant thesis that "the force at the core leading our cause forward in the CPC" is of great practical importance. Without the party leadership, the victorious Chinese Revolution, as well as the successful socialist construction and reform, would have been impossible. Our Army was founded by the party. Ever since it was founded, it has been placed under the party's absolute leadership. Besides the Army, all our undertakings have been put under the party leadership. So long as the party leadership is firm and powerful, we will be invincible and constantly make achievements in building socialism with Chinese characteristics. Upholding the party's absolute leadership over the Army is a basic principle we must always carry out in army building.

Chairman Jiang continued: The Army must be subordinated to the overall interest of the country's economic development. In army building, we must arrive at a correct understanding of and correctly handle, the relationship between man and weaponry. We must firmly carry out the party's basic line and all other work must be subject to the central task of economic development. Only when we make a success of economic construction can we have more financial resources to develop various undertakings, including the building up of national defense. We should be aware that our country has limited financial resources now, so we must proceed from reality in all our actions, following the principle of doing what is within our capacity. In army building, we must work hard to mobilize servicemen's positive factors and improve education and training for the great numbers of officers and men. We must value science and the role of weaponry, but we should all the more see to it that our troops be considerably combat-worthy and that their enthusiasm and creativity be aroused. In the past our poorly equipped troops time and again defeated better-equipped enemy troops. At present, we must still have determination and confidence to crush possible attacks on us with whatever equipment we have.

Chairman Jiang emphasized: Unity is strength. We must strengthen the unity of the entire party membership, strengthen the unity among the people of all nationalities, strengthen the unity between the Army and the government, and strengthen the unity between the Army and the people. There may be all sorts of contradictions between the Army and the local government. These contradictions should be solved properly through mutual understanding and accommodation as well as consultations, placing unity above everything else. If the Army and the people are united as one, who in the world can match them; this is a truth and a principle we must follow. Either the Army or the local government must adopt an overall and long-term point of view and must stand on a high plane and see far ahead. In this way, their disputes will be readily settled. So long as the whole party and the whole Army unite as one,

the 50 million party members unite as one, and the 1.17 billion people unite as one, we will certainly revitalize the Chinese nation and achieve socialist modernization.

"Senior cadres must pay special attention to study. Study will help us acquire a broader mental outlook and raise our ideological and political levels."

When talking about the need for senior cadres to intensify study, Chairman Jiang Zemin gave earnest advice: A person's ideological level and mental attitude has everything to do with his cultural level and study. The harder we study, the more we will realize there are too many things unknown to us. For instance, how can we fight a war using high technology if we know nothing about high technology? The main task of our Army is to safeguard national security and economic construction. Since we have decided to develop a socialist market economy, we must gain basic knowledge about the socialist market economy. I hope everyone of you, senior cadres in particular, will intensify study. You should study again and again and again. Through study, you will enrich your inner world and raise your ideological level, and consequently you will stand on a high plane and see far ahead. It is necessary to study Marxism-Leninism-Mao Zedong Thought, and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and his idea on army building in the new period, and apply them to all fields related to army building. If leading cadres at all level study hard, are guided by a correct ideology, and are driven by a powerful spiritual motive force, the whole Army will have high morale.

Leading comrades accompanying Chairman Jiang Zemin when he made an inspection of Guangdong and the troops stationed in Guangdong were Ding Guangen, Xie Fei, Wen Jiabao, Chief of General Staff Zhang Wannian, and Shi Yuxiao, political commissar of the Guangzhou Military Region.

On the evening of 27 September, Chairman Jiang Zemin attended a theatrical evening marking National Day, jointly held by the Guangzhou Military Region, the Guangdong Provincial CPC Committee, and the Guangdong Provincial Government. He appreciated the brilliant performance. When the performance was over, Chairman Jiang and other leading comrades mounted the stage to have a photo taken with actors and actresses to mark the occasion. Also present at the evening party was Comrade Li Tieying, member of the CPC Central Committee Political Bureau, who was also in Guangdong at that time.

'Impressed' With Guangzhou's 'Success'

HK1210043793 Hong Kong SOUTH CHINA
MORNING POST in English 12 Oct 93 p 10

[By Daniel Kwan]

[Text] President Jiang Zemin has expressed satisfaction over the results achieved by Guangzhou in rectifying the economy during his recent inspection of the provincial capital, according to Executive Vice-Mayor Chen Kaizhi.

Speaking in Hong Kong yesterday, Mr Chen said the President was impressed by Guangzhou's success in bringing new life to its state-owned and collective sectors. "During his inspection in Guangzhou...General Secretary Jiang Zemin felt that the economy in Guangzhou is relatively normal compared with other cities in the country," Mr Chen said. "How to develop faster on the basis on maintaining an overall balance (of the economy) has become an important issue to us," he added.

According to Kuang Baoling, president of People's Bank of China Guangzhou Branch, Guangzhou has handed over 1.05 billion yuan (HK\$1.4 billion) to Beijing, including 650 million yuan of short-term promissory notes, in the current rectification campaign. About three billion yuan of "unauthorised loans" have been recalled by the bank since the campaign started three months ago Mr Kuang said.

Mr Chen declined to predict when the campaign would end and said it had a crucial role to play in laying the groundwork for a series of reforms such as taxation and foreign trade to be introduced next year. Mr Chen was adamant that the campaign did not imply a wholesale retreat of reform and a "healthy and sustained" growth rate was essential for Guangzhou to realise its modernisation dream in 15 years.

"The purpose of the ongoing rectification campaign is to bring our financial, foreign trade, investment (management) and taxation systems closer to that in the international market," said Mr Chen. "It is not a straitjacket to choke off the economy."

Patriarch Deng Xiaoping, said Mr Chen, had dictated that Guangdong should develop faster to catch up with Asian economies such as Hong Kong, Singapore, Taiwan and South Korea in 15 years. The fast-track approach was also mandated under the political report adopted by the 14th Communist Party Congress last year, according to Mr Chen.

"This (the 15-year target) is not something we (Guangzhou) invented ourselves for our amusement. This is a task entrusted to us by the central Government. "If I can use jogging as an analogy, then Guangzhou will have to jog at a very fast pace," he added.

While Mr Chen admitted that inflation had become a "serious economic problem" in Guangzhou, the Vice-Mayor made it clear that the city would not abandon its high-speed economic strategy. Mainly due to a relaxation of price controls by the Government, inflation went up 24.4 per cent in the first eight months of this year in Guangzhou.

He confirmed that rapid industrial expansion was also a factor behind the spiralling prices. Industrial output was 50.3 billion yuan in the eight-month period, up a remarkable 29.2 per cent.

Li Lanqing's Inspection Activities, Remarks Noted

Stresses Smuggling Crackdown in Guangdong

OW1310135593 Beijing XINHUA in English 1342
GMT 13 Oct 93

[Text] Beihai, October 13 (XINHUA)—Chinese Vice-Premier Li Lanqing recently urged local government departments at all levels to persist in strictly cracking down on smuggling.

During an inspection tour of Guangdong Province and the Guangxi Zhuang Autonomous Region in south China, Li appreciated the efforts the two coastal provinces had made to curb the surging tide of smuggling by taking effective measures in line with the nationwide anti-smuggling campaign.

The vice-premier pointed out that the attitude of local government officials toward the issue plays a crucial role in the crackdown on smuggling.

Li urged localities to conduct border trade strictly in accordance with the clear policies of the central government. They should not abuse border trade policies to provide shelter for smuggling, he said.

The Chinese vice-premier noted that cracking down on smuggling must be combined with punishing corruption among government officials. He said that stern punishments, rather than mere fines, should be meted out to smugglers.

Inspects Guangxi's Beihai

HK1310074093 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 12 Oct 93

[Text] During his inspection tour of Beihai, Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier, pointed out: The fight against corruption should be a protracted struggle. Leaders at all levels should straighten out their thinking and the judicial organs should strictly enforce the law.

During the inspection, Vice Premier Li Lanqing also gave important instructions for Guangxi's economic development. After his inspection tour of Guangdong, Vice Premier Li Lanqing arrived in Beihai yesterday morning by air. Officials responsible for the State Customs Administration and Public Security, Foreign Trade and Economic Cooperation, Finance, Industry and Commerce, the Procuratorate, and Taxation Ministries accompanied Li on the tour.

Vice Premier Li Lanqing and his entourage listened to an account given by Chairman Chen Kejie and officials responsible for Beihai and Pingxiang on economic development, border trade, and antismuggling measures.

Accompanied by Guangxi Chairman Chen Kejie, the delegation visited customs, Beihai beach, Beihai No. 2 Primary School, and Beihai No. 1 Vocational Senior Secondary School.

On the afternoon of 11 October, Vice Premier Li Lanqing attended a forum sponsored by the Beihai Customs. At the forum, Li fully affirmed the great work done by Guangxi Customs and other law enforcement organs to defend the southern gate and promote Guangxi's opening up and economic development. He urged customs officers to strictly enforce the law and defend the country's gateways. Customs work should be focused on deepening reform and ensuring the normal operation of foreign economic activities. It is necessary to stick to principles, promote opening up, exercise scientific management, and make visitors's entry and exit convenient. At the same time, it is necessary to run a clean administration, strictly guard the pass, enhance unity and cooperation, and attack smuggling activities.

During the inspection, Vice Premier Li Lanqing gave important instructions for Guangxi's economic work. He said: Under the leadership of the regional party committee and government, Guangxi has done a great deal of work to heal the scars of war. Thanks to the arduous efforts made since reform and opening up, the region's economy has developed rapidly. The region has also made great progress in opening up to the outside world and use of foreign investment. The outlook for Guangxi today is completely different from that of the past. Li pointed out: It is necessary to further speed up the pace of Guangxi's economic growth. You should make the most of local advantages. Guangxi has great advantages in resources, including nonferrous metals and water resources. The region also has rich tourism resources. "The mountains and waters of Guilin are the finest under heaven." Beihai beach is also known as the No. 1 beach in China. You should vigorously develop and make use of these resources, step up infrastructure building, and attract foreign investment.

During the inspection, Vice Premier Li also made important speeches on border trade and education.

Vice Premier Li and his entourage left Beihai on the afternoon of 12 October for Beijing by plane.

Chen Junsheng Inspects Henan's Linxian County

HK1310053093 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 11 Oct 93

[Excerpts] During an inspection tour of Linxian County a few days ago, State Councilor Chen Junsheng pointed out: The spirit of the Linxian people in building the Red Flag Canal is the spirit of self-reliance and building the country through arduous efforts enriched and developed in the course of reform and opening up. It is the specific embodiment of the great pioneering spirit advocated by General Secretary Jiang Zemin for the new period. In the new situation of reform and opening up, we still need this spirit to promote economic development in the central and western regions.

Comrade Chen Junsheng and his entourage arrived at the world famous Red Flag Canal on 7 October. He inspected the bifurcation gate, Chishou, and the Qinlian Cave, and inquired in detail about the construction, utilization, and maintenance of the Red Flag Canal.

During his stay in Linxian, Chen Junsheng also inspected factories, countryside, and rapidly developing township enterprises. [passage indistinct]

Chen said the Red Flag Canal is a human miracle, built by the people of Linxian with their own hands and their indomitable heroic spirit, and by overcoming one difficulty after another. They took only 10 years to build this 1,500 km canal [passage indistinct].

The people of Linxian did not stop after completing the canal. Instead, they started their new course with the confidence and courage to conquer all kinds of difficulties. [passage omitted]

Chen spoke highly of the vigorously developing township enterprises in Linxian [passage indistinct].

Chen pointed out: The Linxian people's spirit of self-reliance and building the country through arduous efforts is the fine virtue and tradition of diligent people [passage indistinct]

Chen stressed: This spirit will be of great immediate significance to the economic development of the central and western regions. Other localities will not necessarily have to copy the experience of Linxian. However, we should all emulate the spirit of self-reliance and building the country through arduous efforts. [passage omitted]

The development of township enterprises is the only way out for the central and western regions to get rid of their backwardness. The gap between the East and the West lies in township enterprises. There are now many difficulties in running township enterprises, such as applications for loans and obtaining qualified personnel. Therefore, we must have the spirit of building the country through arduous efforts. Only with this spirit can we overcome difficulties on our own initiative and develop township enterprises.

Chen emphasized: Carrying forward the Linxian people's spirit of self-reliance and building the country through arduous efforts will be of great significance to promoting economic development of the central and western regions as well as to the economic development of the developed eastern region, running a clean administration, fostering a fine party style and social mood, and building socialist spiritual civilization. [passage omitted]

Yang Shangkun Visits Home Province of Sichuan

OW1210093993 Beijing XINHUA in English 0819 GMT 12 Oct 93

[Text] Chengdu, October 12 (XINHUA)—Yang Shangkun, former Chinese president, has just paid an 18-day visit to his native place in southwest China's Sichuan Province.

"Sichuan has changed greatly," said the former president. "Being a Sichuan man, I sincerely wish my native province to leap forward in the reform and opening further to the outside world."

During his stay in Sichuan from September 25 until today, Yang visited rural areas and industrial enterprises in Chengdu, capital of the province, Chongqing, China's most populous city, Leshan, Luzhou and Wanxian.

After learning that a farmer specializing in growing flowers and trees had earned an annual income of 300,000 yuan, Yang was very happy and encouraged him to "aim at the international market of flowers and trees."

The former president was accompanied during his visit by leading officials of Sichuan Province. Noting that Sichuan is a large province with a population of 110 million, former President Yang said: "Although many farmers have become well-off, there are still quite a lot of areas where farmers have not yet become well-to-do."

"Therefore, we must continue our efforts in agriculture," he stressed.

He urged local officials to show concern for agriculture, for farmers in particular, and to boost farm production and related industries to employ more surplus rural labor.

He said, "The main issue at present is to mobilize farmers' enthusiasm in production while trying to help them to increase grain output and income."

On October 7, the former president returned to his hometown Tongnan County where he had joined the revolution during his youth.

There he inspected a primary school and urged children to study well and keep fit.

He also visited a number of revolutionary memorial places including the Luzhou uprising monument and the former residence of the late Marshal Zhu De.

While in Chengdu, Yang Shangkun called on his middle school teacher Zhang Xiushu.

"To respect teachers and pay attention to education should be popular in our era," he said.

Zhu Rongji Inspects Corporation in Dalian

SK1310141193 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 11 Oct 93

[Text] Vice Premier Zhu Rongji inspected the China (Hualu) Electronics Corporation in Dalian recently.

He pointed out: We should have a first-class management and build the (Hualu) electronics corporation into an enterprise with first-class management.

After arriving in Dalian on the evening of 6 October, Vice Premier Zhu Rongji immediately heard the report on the construction of the (Hualu) project. He pointed out: The construction of the corporation is successful and embodies the country's first in three aspects. The corporation is the first in the whole country to import complete sets of the world's most advanced techniques for the manufacturing of video recorders. This corporation is the first of its kind in the country organized with the cooperation of 10 cities. The corporation imports key projects and avoids

importing overlapping items and wasting capital. The contract for the building of this corporation was signed in June 1992, and the corporation began to be built in August of last year and will go into operation by the end of this year. Such speedy construction is the first of its kind in the whole country.

He urged the construction workers to constantly work on the construction of the project. He especially emphasized that the project could not be put off and the quality of the project must be guaranteed.

On the morning of 7 October, accompanied by the provincial and city leaders, Vice Premier Zhu Rongji inspected the activities at the construction site.

Mr. (Kamishi), director of the China branch of the Japan Matsushita Corporation, said to Zhu Rongji that the entire staff and workers of the Japanese side will ensure the production lines operation by the end of this year.

Zhu Rongji said: We are very glad to cooperate with the Matsushita Corporation. This construction project is going smoothly. The quality is basically good. He hoped that the Matsushita Corporation workers would bring about scientific managerial methods to the project to help manage the (Hualu) Corporation strictly, to cooperatively achieve the construction of this project, and turn the (Hualu) Corporation into a modern enterprise with the world's first-class levels.

Zhu Rongji Lists 10 'Crises' Facing Shanghai

HK1210124693 Hong Kong CHENG MING in Chinese
No 192, 1 Oct 93 pp 24-25

[Article by Ke Ming (2688 2494): "Zhu Rongji Worries About 10 Major Crises Facing Shanghai"]

[Text] Shanghai Plans To Develop in Three Steps

Though the decision to "strengthen macrocontrol" served as a dash of cold water for excessive and distorted economic growth on the mainland, Shanghai's economy is still on an upward surge. The real estate craze in particular has simply reached "burning point." It is learned that the Shanghai Government and foreign investors have pumped 20 billion yuan and \$3 billion respectively into plans to build villas in Shanghai. In the meantime, the Nanjing and Huaihai Roads are being given a face lift, and some shops with national characteristics, such as the Shanghai Silk Company, are being demolished and rebuilt. A source said: Since Shanghai is to be built into a "first-rate international city," everything must be done according to international standards.

Shanghai leaders have kept talking about "international standards" recently. According to their ambitious plan, the objective will be attained in three steps:

1. By 2000, Shanghai will draw level with European, U.S., and Japanese cities of the eighties in terms of living standards.

2. By 2005, Shanghai will become an international financial and trade center.

3. After achieving the above two steps, Shanghai will be further developed into a sophisticated scientific research city.

To attain the above objectives, the Shanghai authorities have frequently lobbied the Beijing authorities for support. Leaders of the Shanghai Municipal CPC Committee and Municipal Government recently held a special seminar on "Shanghai's development program" in Beijing. Vice Premier Zhu Rongji attended the seminar. He said at the seminar that "so long as no major mistakes are made and no favorable opportunities are missed," Shanghai will quite certainly carry through its long-range development plan. However, Zhu Rongji, who is eloquent, was not intoxicated with the "magnificent development blueprint." As one who has been Shanghai's most senior leader, he was clearly aware of the crises facing Shanghai under the new situation. He pointed out 10 major difficult problems, profoundly analyzing the reality in Shanghai.

Shanghai Is Confronted With 10 Major Difficult Problems

1. Despite their relatively high cultural level, cadres of Shanghai's offices, enterprises, institutions, and universities and colleges are rather conservative. They are afraid of making mistakes and of taking responsibility upon themselves, so they lack the sense of blazing new trails. These are persistent defects of Shanghai cadres.

2. Departmentalism prevails in Shanghai. Many people are arrogant and always confine their vision to the small world of their own area and unit. Despite their higher scientific and technological level, they have not made noticeable breakthroughs.

3. Shanghai's light industry, textile industry, machine-building industry, and electrical industry are aging rapidly and have been updated too slowly. Overall, Shanghai is 15 years behind foreign countries in traditional industry and 20 years behind in the textile industry.

4. Shanghai's iron and steel industry has developed rapidly, but raw and semifinished materials and transport have fallen far short of demand, as has been the case with the large petrochemical enterprises and power plants consuming coal.

5. Shanghai will have a total funds shortage of 50 billion yuan, or \$8 billion to \$10 billion, if it presses ahead with its existing development plan. Shanghai must make good the shortage by itself.

6. Shanghai has a serious shortage of financial and managerial professionals as well as scientific and technological workers. A total of 60,000 to 70,000 university and special college graduates join the construction ranks every year, but another 50,000 per year are needed.

7. Slow progress has been made in urban construction and in the construction of transport facilities, affecting Shanghai's economic development and foreign investment.

8. The general mood of society in Shanghai has come under fire in other provinces, municipalities, and regions, as well as overseas.

9. A large percentage of senior high school students drop out in Shanghai, lowering the average cultural level. The increasingly poor quality of Shanghai's polytechnic college and university students will certainly affect the competence of the contingent of scientific and technological workers as well as of workers in industrial construction.

10. The aging of Shanghai's population is intensifying. By the end of this century, the number of retired workers will have increased to 2 million, equal to 25 percent of the total working population. The solution of this "problem" brooks no delay.

Building Houses Blindly Has Many After-Effects

Zhu Rongji's opinions, which hit the nail on the head, made Shanghai leaders blush with shame. Fortunately Zhu Rongji did not lay all the blame on his subordinates. He also held himself partly responsible for the problems. For instance, when talking about Shanghai's failure to make noticeable breakthroughs despite its higher scientific and technological level, he said this had something to do with his defective work in Shanghai. He also candidly acknowledged that the slow progress in urban construction and in the construction of transport facilities was due to persistent ignorance of the importance of the matter on the part of the central and Shanghai governments.

Zhu Rongji warned against the sustained property craze in Shanghai, saying: "This will greatly disturb the normal market order. It is blind action." It is learned that 11,000 villas have been, are being, or will be (subject to approval), built in Shanghai. However, of the 1,800 garden villas which have been completed or will be completed, only 500 have been sold. Apart from staggering prices, one reason for the sluggish sale of the villas is their remote sites. Instead of being located in Shanghai as advertised, they are located in Songjiang, Kunshan, Qingpu, Nanhui, and other areas, which are far from Shanghai city proper. Before the construction of transport facilities and other facilities needed for daily life was under way, work had begun on construction of the villas. Attracted by such terms as "Venice of the East" and "focus of tomorrow's metropolises" in the advertisements, some people overseas bought the villas, but they later complained loudly that they had been fooled. For example, it takes three hours to go from villas around Kunshan to the urban area and back by special bus on the condition that the road is free from traffic jams (which are, in fact, inevitable). The fare is 76 yuan. If you take a taxi, the fare rises to 300 yuan. Kunshan villa residents are considered lucky, because they are provided with a special bus service. There is no special bus service for Qingpu villa residents up to now; a trip to the city by taxi will cost several hundred yuan.

Shanghai Citizens Are Discontented With the Leadership's Eagerness for Quick Success and Instant Benefit

A number of insiders in Shanghai said: Zhu Rongji's "speech on 10 major crises facing Shanghai" served as a cooling dose to Shanghai officials, who were "eager to build Shanghai into an international city." Shanghai, as a city which deserves to take pride in its history, must develop itself. But we should be aware that in various fields, due to the practice of allowing everyone to eat from the same big pot over several decades past, Shanghai lags far behind medium cities in Western countries or even other coastal cities on the mainland, which have developed rapidly over the last decade. To shrug off the "aging" crisis, Shanghai must start with what is of basic importance. But the Shanghai authorities have concentrated on "face-lifting," as if they only wanted to make Shanghai "rubbish coated in gold and jade." Shanghai lacks a real long-range development plan. The authorities do not have a very clear idea of how the old urban areas should be rebuilt. They only hope to make a big fortune by "leasing land plot by plot to foreign investors," refusing to take into account the impact the separate "rebuilding" will have on transportation and the environment. In fact, Shanghai citizens are very discontented with the authorities' eagerness for success and quick benefit. Some people even said: Shanghai went mad for political reasons in the sixties and for economic reasons in the nineties. Shanghai citizens do not pin too much hope on Zhu Rongji's warning to the Shanghai authorities, because Zhu, as vice premier, is too busy tackling the formidable economic situation on the mainland to exercise remote control over Shanghai. Some economists believed Shanghai people may not cure themselves of their excessive "eagerness" until they suffer a setback under the market economy and thus pay a high price.

Zhu Rongji Reportedly Moves To 'Consolidate' Power

HK1210043593 Hong Kong SOUTH CHINA
MORNING POST in English 12 Oct 93 pp 1, 10

[By Willy Wo-lap Lam]

[Text] Chinese Executive Vice-Premier Zhu Rongji has put together a high level think-tank to consolidate his power in the run-up to the death of patriarch Deng Xiaoping. The brains trust, which consists of the cream of China's social scientists and economic cadres, is responsible for drafting the next round of market reforms while boosting the leverage of the central authorities.

Meanwhile, more signs have emerged that to conciliate powerful regional officials, the leadership has temporarily suspended many aspects of the three-month-old austerity programme.

Sources said yesterday that Mr Zhu had assembled a high-calibre think-tank which included reform-minded officials and academics who had worked for ousted party chief Zhao Ziyang. The sources identified four rising stars as having recently advised Mr Zhu on how to push forward

reforms while reversing the trend of the central Government losing economic powers and revenue. They were Lou Jiwei, a member of Mr Zhu's personal office; Li Jiange, an economist with the Development Research Centre of the State Council; Guo Shuqing, a former associate of the Economic Research Centre of the State Planning Commission; and Lu Xiaoling, a former staffer of the national paper *Jinrong Times*.

Mr Lou, considered one of Mr Zhu's right-hand men has worked in the State Commission for the Reform of the Economic Structure, which was once headed by Mr Zhao. He was a vice-chief of Shanghai's Bureau for Restructuring the Economy when Mr Zhu was mayor of the city, and subsequently transferred back to the capital following his mentor's promotion to Vice-Premier in 1991.

Other members of Mr Zhu's personal brains trust are drawn from units like the Economic and Trade Commission, the People's Bank of China, and Qinghua University, where the Vice-Premier once taught management.

"Most members of Zhu's think-tank are economists in their early 40s who had been active in helping Zhao work out the initial stage of reform," a source said. "However, in view of severe economic problems like hyperinflation and loss of central powers, their priority now is how to balance reform with recentralisation".

Western diplomats said that in spite of his apparent return to the limelight, Premier Li Peng had been unable to claw back economic decision-making powers lost to Mr Zhu. They said if Mr Zhu succeeded in "curing and restructuring" the economy, he had a good chance of gaining the premiership after Mr Deng left the scene completely. But economic analysts in Beijing said Mr Zhu's standing might have been hurt by his having been obliged to call a temporary moratorium to the austerity programme.

Speaking to a group of entrepreneurs in Beijing yesterday, Vice-Premier Zou Jiahua said there was no foundation to the fear that China would adopt another round of "curing and restructuring the economy" or "comprehensive retrenchment". Taking the same line as President Jiang Zemin and Vice-Premier Li Lanqing, Mr Zou said China's economic goal remained "sustained, high-speed and healthy economic development".

"We have adopted measures to strengthen and improve macro-level economic adjustments and controls...to enable the economy to develop more healthily," Mr Zou said. "China being a developing country, many sectors and regions require speeded-up development." The national media yesterday quoted Mr Zou as repeating Mr Deng's nine-month-old injunction to Shanghai to "have a facelift once every year" and "to cross one new threshold after another".

Cadre Relatives Show 'Resistance' in Corruption Fight

HK1110061093 Hong Kong CHENG MING in Chinese No 192, 1 Oct 93 pp 16-17

[By Tsung Lan-hai (1350 5663 3189): "Nearly 10,000 Relatives of Chinese Officials Have Settled Down in Hong Kong and Macao"]

[Text] "Resistance to anticorruption work will mainly come from inside the party and from inside party and government institutions."

This is not a remark uttered by common people nor by intellectuals, but by Wei Jianxing, secretary of the CPC Central Discipline Inspection Commission. He is also a member of the Political Bureau and a member of the Central Secretariat. He said this at a work briefing meeting of the Central Discipline Inspection Commission on 3 September.

What is the resistance from inside the party and from inside the party and government institutions? In the state-owned enterprises and financial institutions, the greatest resistance obvious to all people came from children of senior and middle-level cadres and from retired cadres. They all have their own supporters in the higher authorities, and they just shield and protect each other's children. This forms huge resistance to the process of exposing, investigating, and handling corruption cases.

At the work meeting, Wei Jianxing said: Now, what the people most strongly resent is the privilege enjoyed by cadres and their families. People hold that the existence of the prerogatives prevents the smooth conduct of the anti-corruption work and makes it hard to achieve the expected results. Wei Jianxing enumerated the prerogatives that the masses most resented:

First, family members of cadres take advantage of the political and administrative positions of their parents or spouses to enjoy privileges in selecting jobs.

Second, children and relatives of senior and middle-level cadres are engaged in business without applying what they have learned in school, and enjoy prerogatives in obtaining funds, materials, foreign currencies, and official documents for import and export.

Third, children and relatives of senior and middle-level cadres hold key posts in state-owned trade companies, material distribution institutions, and financial institutions without being subject to supervision and control.

Fourth, many children and relatives of cadres have settled down in Hong Kong and are engaged in business in Hong Kong. They hold key posts in China-owned institutions or in the overseas economic and trade institutions of the Chinese Government.

Fifth, many retired party, government, and military cadres are engaged in trade, the real estate business, or consulting service, or hold posts in some trade or financial institutions.

Sixth, after party and government institutions were streamlined, retired cadres began to engage in business. They run business companies affiliated with the state-owned enterprises, companies, financial and trade institutions, or hold offices in Chinese-foreign joint ventures and foreign-funded companies.

Wei Jianxing said: "This is not above criticism if children and relatives of cadres, including senior and retired cadres,

are engaged in business or work with financial institutions. In capitalist countries, many important politicians' children are also engaged in business, and the proportion is even higher. The problem is that as our companies and institutions are owned and run by the state, they are short of an effective supervision and inspection system at the current stage, and they also lack effective self-control. The central authorities require that the post evasion system be adopted in order to overcome the negative effects in this regard, but there are great difficulties in implementing such a system, and things have been delayed for seven to eight years.

Eight years have been spent establishing a system for evading interest conflicts, but the system still is not functional. How can corruption be eliminated in one single move?

Some statistics provided by the CPC Central Discipline Inspection Commission and the Ministry of Supervision show the inducements to corrupt practices and power-to-money transactions:

Among the children and relatives of cadres engaged in real estate and financial business or import-export trade, more than 2,600 people are related to officials at the provincial and ministerial level, and nearly 25,000 people are related to officials at the prefectural and city level.

Among the children and relatives of senior and middle-level cadres that have settled down in overseas areas, some 1,500 people settled down in the United States and Canada; more than 1,800 people settled down in Europe; more than 100 people settled down in Australia and New Zealand; more than 260 people settled down in Japan; more than 8,000 people settled down in Hong Kong; and more than 700 people settled down in Macao.

So far, some 46,000 people have been sent to work with various China-owned institutions in Hong Kong and Macao or with China-Hong Kong, Chinese-Foreign joint ventures in Hong Kong, and over 95 percent of them are children, spouses, and other relatives of high-ranking and middle-ranking cadres or retired party, government, and military officials.

Children and other relatives of high-ranking and middle-level cadres also account for over 90 percent of the personnel dispatched to China-owned business institutions in Europe, the United States, Australia, Japan, and Singapore.

The cadre who revealed the facts to this reporter in private also said that an official-merchant network has taken shape in the economic field, and it is hard to destroy it. No anticorruption campaign can destroy the network. If this new "great wall" continues to stand firmly, the anticorruption struggle is not likely to succeed. At most, after a number of "big flies" and one or two "small tigers" are punished (it seems quite unlikely), the campaign will be hastily wound up. When talking about the anticorruption struggle, an well-informed intellectual said resentfully: "If the 'network of princes' is not broken, anticorruption will certainly come to nothing."

Officials, Cadres Barred From Business Activities

HK1310041493 Hong Kong *THE STANDARD* in English 13 Oct 93 p 1

[By Angel Lau and Cary Huang]

[Text] China is to ban government officials and party cadres from business activities in a bid to crush rampant corruption. Mainland sources say that new regulations are being hammered out by the State Council—China's cabinet and checks will be carried out into the business links of agencies and officials. A six-point proposal covered by the new regulations stipulates that officials should not be involved in any profit-making business activities.

The latest move is to provide the authorities with the legal power necessary for China's crackdown on corruption. No party cadre or government official will be allowed to engage in both government work and business activities at the same time. Government agencies will be banned from diverting officials to run businesses. Now, many government bodies are engaged in private business to generate revenue.

Sources said there should be a clear demarcation between government agencies and officials who engaged in areas of information services, consultation, and legal and technological services in order to avoid any abuse of power that was a problem under the present system.

Details of the regulations were spelt out in a government document explaining the rationale behind the move.

Cadres will be forbidden to serve as director or chairman of the board of directors in enterprises or to invest directly in them.

Government agencies and officials will also be banned from buying shares or being shareholders in a shareholding company which is affiliated to those government agencies or subject to supervision by the officials.

When the new regulations are implemented, a cadre will be allowed to retain his job without salary for only a limited time and only after getting approval from a higher authority.

To prevent officials and cadres from exploiting the inside information obtained from working in government, the regulations will also restrict cadres who have resigned or retired from working in private or government affiliated enterprises for two to three years after leaving their government posts.

The new regulations are designed to echo the Communist Party Central Committee's current anticorruption campaign.

In late August, the party announced a renewed campaign to stamp out corruption. Since then, the executions of corrupt cadres and officials have been widely reported in the state media. Senior officials, including President Jiang Zemin and Premier Li Peng, were reported to have voiced their support of the fight.

Public Security Organs Launch Anticorruption Drive

HK1110135793 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0753 GMT 3 Oct 93

[Special article by reporter Si Liang (1835 5328): "Public Security System on the Mainland Is Rectifying Itself by Fighting Graft and Penalizing Corruption"]

[Text] Hong Kong, 3 Oct (ZHONGGUO TONGXUN SHE)—Owing to the habitual function of the power mechanisms under the planned economic system and to the influence of "money worship" in recent years, the mainland's public security, procuratorial, and judicial personnel have worsened from "violating discipline in their posts" to "exchanging power for money, and increasingly have been risking danger with their corrupt practices in the course of enforcing the law. The question of whether or not public security, procuratorial, and judicial personnel can keep their hands clean and enforce the law impartially has become an important factor in whether or not the mainland's current anticorruption drive will succeed.

Some public security personnel on the mainland exchange their "police power" for money, goods, and humans. Some of them shield smugglers in the smuggling of contraband goods. Some cover up whoring, drug trafficking, gambling, and prostitution. Some meddle in banking and financial activities. Others charge fees and impose fines arbitrarily. Still others engage in wanton racketeering and blackmail. In just a few years, many law enforcement personnel have made a fortune in amazing ways, while people on the mainland hate this bitterly.

Since the mainland launched the anticorruption drive, major and serious cases involving public security, procuratorial, and judicial personnel gradually have been unearthed in almost all provinces, municipalities, and autonomous regions. So far, a number of public security officials have been sternly punished. For instance, Hong Yonglin, chief of Guangdong's Huizhou City Public Security Bureau, was sentenced to death for accepting bribes, including some 2.4 million Hong Kong dollars and some 1.1 million yuan in exchange for allowing smuggled cars to go to their new owners. Chen Qianming, deputy chief of Fujian's Yunxiao County Public Security Bureau, was sentenced to death with a reprieve for demanding and accepting bribes totalling 50,000 yuan over three months by threatening to deal with forged cigarette traders. Some public security officials not only exchange power for money, but also indulge in sex. For instance, a member of the party committee of the Shenzhen's Nanshan Public Security Subbureau even patronized a prostitute in the office of the public security organ. Wen Baochang, head of the task force of Jilin's Liaoyuan City Longshan Public Security Bureau, and his party "exchanged power for prostitutes" with the manageress of a local guest house. Some county public security bureau chiefs, who earn only meager incomes, have built deluxe villas. No doubt, they must have wielded their power for personal gain. For instance, He Shuai, chief of Guangdong's Suixi County Public Security Bureau, not only has built a deluxe villa sufficient for the use of several generations, but also has

built one three-story and one four-story high-grade apartment buildings, the construction costs of which could have been at least 250,000 yuan.

It is very common everywhere that public security departments charge fees and impose fines arbitrarily. They charge for a wide range of things, such as fees for quick permits or visas for use outside the province or outside China, purchasing fees for patrol trucks, traffic control fees, and security management fees, which are charged by hotels on their behalf. Recently, the Ministry of Public Security announced the cancellation of 16 kinds of fees that were being charged indiscriminately. The Fuzhou City Public Security Bureau has decided to cancel 20 kinds of fees. We can see the problem from the annual income of 30 million yuan earned from the "Supplementary Fees for City Traffic Construction" and the "Fees for Entry Into the City of Motor Vehicles From Other Places" alone.

In the face of the CPC's huge anticorruption drive, public security organs in all localities also are launching anticorruption work. The Ministry of Public Security has decreed that public security organs at all levels must concentrate their time and energies on investigating and coping with serious law-breaking and discipline-breaking cases in which public security leading organs and leading cadres break the law in the course of enforcing it, demand and accept bribes, pervert justice for bribes, and turn a blind eye to crime. Public security organs in many provinces, municipalities, and autonomous regions have set up leading groups for campaigns to fight corruption and encourage honesty. They have studied and drawn up objectives for each stage, as well as several rules and regulations for work personnel to maintain honesty and self-discipline. However, the anticorruption work of public security organs has not been very smooth. It has been learned that some local public security officials are not adopting a resolute attitude toward the anticorruption drive and their measures are not effective. They either do not seriously investigate and handle major and serious cases, or they make slow progress in investigating and dealing with them. Some public security officials suspend the investigation of cases, do not report them to higher authorities, or simply stop handling them. Others intentionally delay their investigation or even cover them up. In response, the senior echelons of the Ministry of Public Security in Beijing have instructed public security organs that they should "dare" to fight corruption. Moreover, they have stated that they will send work groups to supervise their work and seriously handle cases regardless of who may be involved in them.

Article on 'Problems' in Antismuggling Campaign

HK1110110393 Beijing LIAOWANG in Chinese No 39,
27 Sep 93 p 7

[Report by correspondent Shi Zhaoxu (4258 2600 2485): "Liu Jiachen, Vice President of the Supreme People's Court, on Resolutely Opposing Departmental Selfishness in the Antismuggling Campaign"]

[Text] Since the beginning of reform and opening up, the party Central Committee has issued many instructions on further intensifying the struggle against the criminal activities of smuggling. In the aspect of legislation, the Standing Committee of the National People's Congress has continuously improved the laws and regulations for the struggle against the criminal activities of smuggling. In the "Decision on Severely Punishing Criminals Who Seriously Undermine the Economy" adopted on 8 March 1982, the maximum penalty for smugglers was raised from 10 years' imprisonment to death, as smuggling activities were then rampant. The "Supplementary Regulations on Punishing Criminals Engaged in Smuggling" adopted on 2 January 1988 include provisions on legal persons' crimes, as smuggling activities involving institutions were rampant, and this was the first time our country's criminal legislation had defined crime by institutions. It should be said that we have had a sufficient legal basis for carrying out the struggle against the criminal activities of smuggling.

In recent years, however, smuggling activities have continued and became more rampant. The main reason is that some local authorities have not strictly enforced the relevant laws. In particular, some cases of institutional smuggling have not been properly investigated and handled according to the law. Many problems still exist in the concrete work.

First, those who carry out antismuggling duties may gain benefit from the smuggled goods they seize, and such practices produce many problems. Customs, the border inspection stations, the industrial and commercial administrative organs, and the antismuggling offices in some localities are all authorized to seize and handle smuggled goods. The seizure of smuggled goods is closely linked with the interests of the antismuggling organs. Those who seize more smuggled goods may gain greater benefit. As a result, those who achieve greater antismuggling results in the areas they control may gain smaller benefit, because fewer smugglers will try to commit the crime in such tightly guarded areas. If no smuggling cases occur, the antismuggling personnel may gain no benefit. Therefore, in some localities, out of consideration for their own departmental and local interests, the antismuggling organs have not been willing to thoroughly investigate and check smuggling, and smuggling has thus become more and more rampant.

Second, no penalties have been meted out to legal persons directly involved in smuggling activities. In the last two years, a prominent characteristic of smuggling has been the involvement of institutions and legal persons in such criminal activities. In our country, the first criminal legislation concerning legal persons was enacted in the aspect of smuggling. However, this law has not yet been properly enforced. After cracking smuggling cases involving institutions, the antismuggling organs have mostly imposed fines on the institutions, without punishing the responsible personnel in those institutions and bringing criminal charges against them. Individuals have not suffered any loss, as the fines have been imposed on the institutions,

which paid the fines with public money. In fact, the money of the Communist Party was shifted from one place to another.

Because they can reap staggering profits from smuggling, smugglers are not afraid of fines. After a person succeeds in gaining benefit for a small collective, that person will be respected and supported by other people. Henceforth, if, after cracking a smuggling case involving an institution, we not only impose a fine on the institution but also bring criminal charges against the personnel bearing direct responsibility, then will these people still be willing to seek benefit for their small groups by braving the risk of being jailed? The answer is self-evident.

Third, serious local protectionism and departmental selfishness are the root cause of the rampant spread of smuggling activities. According to the Customs Law of our country, Customs is the state organ responsible for managing and inspecting personnel and the goods crossing the border. Its functions should be performed independently according to the law. However, some administrative institutions, units, and organizations which do not have the authority to mete out administrative punishments as does Customs also handle smuggling cases and smugglers by means of imposing fines. As a result, smugglers who have offended the Criminal Law are thus let off; while the smuggled goods and fines are kept by themselves and not handed over to the state treasury through Customs. In addition, very few smuggling cases are transferred from Customs to the public security organs after the smuggled goods and the ill-gotten money are seized by Customs. As a result, few smugglers, especially the responsible personnel in the institutions involved in smuggling activities, are found guilty of the crime and sentenced by the law courts. This is not commensurate with the rampant smuggling activities, and the laws do not produce a deterrent effect.

How should we effectively crack down on the criminal activities of smuggling? From the angle of the work of the courts, I sum up in the following four points:

First, increasing the intensity of suppression. The struggle against the criminal activities of smuggling is a protracted and arduous task. Criminals involved in serious smuggling cases must be brought to justice; otherwise, it will not be possible to check the evil trend.

Second, opposing local protectionism and departmental selfishness. Smuggled goods and fines must be completely handed over to the state treasury. The practice of allowing those who seize smuggled goods to gain benefit should be discontinued. The law-enforcing organs should only earn normal incomes from the state's appropriations. If the duties of law-enforcing organs are directly linked to the money they may make, corruption will certainly result.

Third, criminal charges must be brought against the personnel bearing direct responsibility for the smuggling activities of institutions. Not long ago, the Supreme People's Procuratorate and the Supreme People's Court issued a circular. The procuratorial organ held that smuggling

constitutes a violation of the law, so smuggling cases should be treated as criminal cases and brought to the courts after the administrative organs impose fines. In the past, in general, if a fine was imposed by an administrative organ, the case would not be handled by a judicial organ. Now, the judicial organ can decide whether to take legal action or not according to the seriousness of the case. Those who shield the evildoers will also bear responsibility. Those who refuse to bring the responsible personnel to justice should also bear responsibility.

Fourth, intensively handling a number of major cases and serious cases. Severe sentences should be imposed on criminals involved in serious smuggling cases, and some should be sentenced to death as they deserve. In particular, in the serious cases in which institutions are involved in smuggling activities, not only should heavy fines be imposed on the institutions concerned, but the personnel bearing direct responsibility should also be severely punished according to the law.

Li Ruihuan Addresses CPPCC Committee Meeting

OW1310124293 Beijing XINHUA Domestic Service in Chinese 1201 GMT 9 Oct 93

[Speech by Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the Chinese People's Political Consultative Conference, CPPCC, National Committee, at the Third Session of the CPPCC Eighth National Committee Standing Committee in Beijing on 9 October 1993]

[Text] Beijing, 9 Oct (XINHUA)—Vice Chairmen, Standing Committee members, and comrades:

The current Standing Committee meeting has been in session for four days and, following the scheduled agenda, has centered on discussing economic issues. Vice Premier Zhu Rongji delivered a report on the country's current economic situation and relevant principles and policies. All of us unanimously support the CPC Central Committee and State Council's measures on strengthening macroregulation and control, and have candidly voiced our views with an open mind and offered many good opinions and suggestions. These opinions and suggestions—some of them are the results of long-time scientific studies—reflect the actual situation and the masses' wishes; they will be forwarded to concerned departments for reference. I believe these opinions and suggestions will play a positive role in making decisions on some important issues and in implementing these decisions. The current session is a very good meeting, which gives us an opportunity to participate in and discuss government and political affairs.

I.

The economic issue is our country's central issue. Development and changing in the economic situation will decide and affect all aspects of our social life as well as the country's stability and development. Economic work is a hot issue that people across the country have shown

concern for, as well as the central topic of the people's political consultative conference in participating in and discussing government and political affairs. Economic issues cover a very wide range; therefore, we should concentrate our efforts on major problems. Economic work is extremely complicated; therefore, we should face reality, persist in practicing, adopt an analytical attitude, and conduct in-depth studies—not only study problems as a whole but also all aspects of a problem. Only by doing so can our understanding be objective and all-round and can our participation in and discussion of government and political affairs be to the point and effective. For instance, it is completely correct to say that China's current economic situation is good in general, because if we do not see things this way we would be missing the essence and the mainstream of things and would lose our confidence for marching forward. The fact that the situation is good is not only reflected in the noticeable quickening of the pace of reform, opening up, and economic development, but, more importantly, is reflected by the fact that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics has deeply taken root in people's hearts, and that people across the country are concerned about reform and opening up, have placed importance on practical problems, and have enthusiastically concentrated their efforts on developing the economy. This great historical trend has become irreversible and is an extraordinarily momentous thing in a country that had been widely and long influenced by "taking class struggle as the key link." At the same time, we must not overlook the fact that currently we are facing some prominent contradictions and problems in our economic life. Things such as invigorating large and medium-sized state-run enterprises, lifting peasants' morale in growing grain, and the placement of surplus work force—these are all important problems that directly affect the overall situation of reform and economic development. We must attach great importance to these problems and properly solve them by practicing boldly. For instance, it is completely correct to say that the many problems we are facing are problems cropping up on the way to advancement and development, because breaking away with the highly-centralized planned economic system, which was formed over a long period, and building a new socialist market economic system touch on all areas of the economic foundation and the superstructure, and are an unprecedented pioneering undertaking and a huge social system project. It would be unimaginable if there were not difficulties and if we did not have to go along a tortuous road. Therefore, we must be fully prepared, must work in unison with an unyielding spirit, and must advance against difficulties. At the same time, we must realize that not all currently existing problems are inevitable in the process in which the old system is transformed into the new. Therefore, we must not relax management using the excuse of developing the market economy and transforming the old system. At every moment we must truly work to promote administrative honesty, sternly punish corrupt behavior, resolutely maintain a normal social order, and forcefully crack down on ugly things in society. For instance, it is completely correct to say that the fundamental way for solving the current and

future contradictions and problems in our economic life is to deepen reform and quicken the pace of building a socialist market economic system, because practice shows that if we do not insist on carrying out reform and if we go backward we will definitely land ourselves in a position in which everything is lifeless, as it once was, and we will have no hopes. At the same time, we must clearly understand that the reform we are talking about refers to the building of a new socialist market economic system; we must not make reform too worldly and describe changes to the status quo as reform. We must resolutely prevent and stop acts in defiance of law and public opinion and acts that disrupt and undermine the normal economic order. For instance, it is completely correct to say that, to carry out reform, we must thoroughly get rid of the shortcomings of the planned economic system, because the old planned economic system seriously impeded the development of productive forces, and, if we do not carry out reform, we will be unable to rejuvenate our country and our people will be unable to become better off. At the same time, we must see that both planning and the market are economic means and must not totally negate the role of planning. While giving play to the market's fundamental role in budgeting resources, we should be skillful in using means of planning that are applicable to the new situation of market economic development and should do a good job of macroregulation and control. For instance, it is completely correct to say that we should "tightly grip with two hands," because socialist spiritual civilization is an essential part of building socialism with Chinese characteristics; is a spiritual driving force and intellectual support for reform, opening up, and economic development; and is our big political asset formed over a long period. At the same time, we must understand that the building of spiritual civilization must keep pace with timely developments—new contents must be added to it and new approaches must be adopted as practical lifestyle changes. For instance, it is completely correct to say that we should learn from and make use of foreign experience in building a socialist market economic system, because capitalist countries have a history of a hundred or several hundred years of developing market economy, have established a relatively complete set of laws, regulations, and mechanisms, and have gathered many fruits of human society's civilizations. In the past, we locked the door of our country and refused to make use of foreign experience, placing ourselves in a very disadvantageous position. We must not tread the old path. At the same time, we must be aware that we should not mechanically copy foreign experience. We must take our national conditions into consideration, make use of the good things of others, create new things in the course of learning, seek development while making use of foreign experience, and create a socialist economic model with Chinese characteristics. In short, in the course of reform and opening up, we must insist on using the dialectical materialist and historical materialist viewpoints and methods to observe, analyze, and study various contradictions and problems in social and economic life, and must truly unify emancipation of the mind with seeking truth from facts.

II.

Participation in the administration and discussion of state affairs is a fine tradition of the CPPCC, as well as a major criterion for evaluating its work. The CPPCC—as an important organizational form for implementing the basic political system of multiparty cooperation and political consultation led by the CPC and as the main venue for bringing socialist democracy into play—must concern itself with and discuss major state policies and participate in the consultation on major policy decisions and various issues arising in the course of implementation. It must keep abreast of the essential conditions of actual work for effectively exercising democratic supervision. The CPPCC, which is neither a state power organ nor an administrative institution, participates in the administration and discussion of state affairs through making suggestions and providing opinions. This is a manifestation of the nation's basic political system in action, as well as a great innovation, feature, and advantage for promoting socialist democratic politics in China. CPPCC members should understand these aspects of the basic political system and constantly enhance their sense of responsibility and awareness of participating in the administration and discussion of state affairs; while party and government leaders should also understand these aspects of the basic political system by attaching a greater importance to handling conscientiously various suggestions and opinions made by the CPPCC.

To make policy decisions in a democratic and scientific manner is a prerequisite for modern leadership as well as a strong desire of the masses. On the one hand, the people desire this because they want to really exercise their right to manage state affairs and affairs of the community. On the other, from their personal experiences of the joys and sorrows of life over the past several decades, they realize that whether a policy decision is correct or not can directly affect their vital interests. A correct policy can bring peace and prosperity to the people, while a blunder in policy can cause them pain and hardship. Generally speaking, a policy decision made without going through the democratic process can hardly prove to be scientifically sound. In making policy decisions in a democratic manner, one is required, first, to strictly observe the democratic procedures; and, second, to listen to opinions from all sides. The CPPCC's participation in the administration and discussion of state affairs has precisely met these two requirements. According to the CPC Central Committee's regulations, before a major policy decision is made, it should go through the democratic procedures of political consultation. Meanwhile, the CPPCC has an unrivaled edge in providing suggestions and opinions for leaders to make policy decisions: it maintains extensive contacts with representatives from all walks of life at home and abroad, and can centralize opinions, demands, and wishes of the masses in all sectors; it plays a nonpartisan role and is not hampered by departmental and local interests, and can more objectively reflect the actual condition; and it assembles a galaxy of talented people, experts, and leading cadres specialized in various areas, and can make highly constructive suggestions in diverse fields. Therefore, the CPPCC's

participation in the administration and discussion of state affairs is crucial for helping leaders make policy decisions in a democratic and scientific manner.

III.

Over the years, CPPCC committees at all levels have developed a great variety of forms, accumulated rich experiences, and set up a series of systems for participating in the administration and discussion of state affairs. We should further summarize experiences and ensure a good job in implementing the existing rules and regulations while constantly exploring new channels, improving work, and raising the quality of participating in the administration and discussion of state affairs. In the new situation, all members of CPPCC parties, organizations, nationalities, and personages from various circles should pay greater attention to maintaining close contacts with their constituencies, and always keep in mind their wishes, opinions, and demands, including those of the minority which are prone to be neglected, in order to more fully reflect popular feeling and opinions. We should perfect the inspection system of CPPCC members at all levels and adopt various means to obtain first-hand information about the grass-roots situation, so that our suggestions and opinions can be more in line with requirements of the actual work and development of the situation. We should step up special investigative studies by selecting a number of topics on major issues in practical life and assigning special committees to organize experts and personnel familiar with the situation to conduct scientific probes and work out innovative ideas and feasible measures. We should proceed from the overall situation in daring to uphold the truth and make suggestions and state opinions in an earnest and responsible manner, and should never be intimidated by criticisms and difficulties. Meanwhile, we should listen to different opinions with an open mind and rectify views which have proved inappropriate or erroneous in the course of practice. We should diligently study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, strive to grasp its spiritual essence, and use the theory as the basic guiding principle for all CPPCC activities, thereby continually raising our capability to participate in the administration and discussion of state affairs.

Communist Party leading organs at all levels should set a good example in implementing the system of multiparty cooperation and political consultation, and should create a favorable condition for the CPPCC to participate in the administration and discussion of state affairs in various fields by regularly holding prior consultations on major policy decisions, briefing CPPCC members on important situations, and hearing their opinions. They should also fully respect the CPPCC's right to participate in the administration and discussion of state affairs, and seriously study and promptly handle suggestions and opinions made by CPPCC members. Leading party and government cadres should be extremely open-minded and readily accept good advice, and conscientiously support and encourage CPPCC members participation in the administration and discussion of state affairs.

Establishing a socialist market economy and realizing socialist modernization is a great epoch-making practice by the Chinese people under the leadership of the CPC; it is also a brilliant, vigorous pioneering undertaking of the socialist system in this vast oriental country. Success of this undertaking will not only materialize the long-cherished dream of rejuvenating the Chinese nation among countless people with ideals and integrity and enable China to stand erect with a new face among world nations, it will also signify the inheritance and development of Marxism-Leninism-Mao Zedong Thought and a great contribution to the progress of mankind. Facing this glorious task at the historical juncture, the CPPCC must imbue itself with a profound sense of mission and responsibility, earnestly ensure a good job in participating in the administration and discussion of state affairs, and more effectively perform the function of political consultation and democratic supervision so as to contribute still more to reform, opening up, and modernization construction.

GUANGMING RIBAO National Day Editorial

HK1310021093 Beijing GUANGMING RIBAO in
Chinese 1 Oct 93 p 1

[Editorial: "Continue To Advance With Full Confidence—Celebrating the 44th Anniversary of the People's Republic of China"]

[Text] It has been 44 years since the People's Republic of China was founded. On this day of national celebration, we would like to extend our best wishes to our great motherland and 1.17 billion people, wishing her ever greater prosperity and them more happiness.

In the past 44 years, especially in the past 15 years when reform and opening up began, great changes have taken place in China, to the people's livelihood, and to their mental outlook. Today, our country enjoys economic prosperity and political and social stability. Our people are living and working in contentment. The Eastern power that used to be poor and backward is now standing rock-firm among all nations of the world. All this is attributable to the guidance of Marxism and Mao Zedong Thought and, in particular, the guidance of Marxism in our time, i.e., Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, as well as the strenuous, pioneering, and down-to-earth endeavors of people of all nationalities in China in keeping with the party's basic line.

Last October, our party held the 14th national party congress, a meeting of profound and far-reaching significance, at which the magnificent blueprint for China's economic development and overall social progress before the end of the century was laid out and the strategic goals for political, economic, cultural, and all other fronts were set. In the past year, inspired by the spirit of the 14th national party congress and under the correct leadership of the CPC Central Committee and the State Council, the people of all nationalities in the whole country have

thrown themselves heart and soul into economic construction, reform, opening up, and the building of two civilizations and achieved brilliant successes. Our reform has further deepened, the opening up further expanded, and the entire economy has maintained a flourishing momentum. The people of all nationalities in the whole country are studying market economy, familiarizing themselves with market economy, and constantly summing up experience in their practice. The concept of socialist market economy is striking root deeper and deeper in the hearts of the people and it is becoming a conscious act of the hundreds of millions of people to contribute to the development of socialist market economy and the establishment of the socialist market economic system.

In the second half of this year, the macroregulation and control of our national economy has yielded initial results: The financial order has been rectified, excessive industrial growth rate has begun to stabilize and drop, the development zone rush and real estate rush have somewhat cooled down, the growth of investment in fixed assets has slowed down, and the prices of production means have stopped rocketing and are leveling off. Since August this year, the whole party has been conscientiously studying and implementing Comrade Jiang Zemin's important speech and the spirit of the second plenary session of the Central Discipline Inspection Commission and taking an active part in the anticorruption campaign focused on combating money-power deals and practices to seek personal gain by abusing power. A batch of big and important cases have been or are being investigated and handled and many regions, departments, and units have explored or formulated specific stipulations against corruption in light of their realities. This series of important decisions made by the CPC Central Committee and the State Council have vigorously catalyzed the healthy development of the reform, opening up, and socialist market economy and ensured the smooth progress of the cause of socialism with Chinese characteristics.

In celebrating the 44th founding anniversary of the People's Republic, we must follow Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the requirements of the party's basic line and further push ahead with the work in all fields. Reform is the basic force powering the development of the socialist cause. Only by constantly deepening the reform can we continuously open up prospects in all aspects of work and keep the development uninterrupted. Further strengthening and improving the macroregulation and control of the national economy depends on deepening the reform. Solving some outstanding contradictions and problems arising in the course of economic development depends on deepening the reform, converting the operational mechanism of the large and medium-sized state enterprises and boosting their vitality also depends on deepening the reform, and accelerating the establishment of the socialist market economic system depends even more on deepening the reform. We should continue to emancipate the mind, seek truth from facts, adhere to plain living and hard struggle,

make genuine and down-to-earth efforts, and tread a path of economic development that is both speedy and relatively efficient.

Combating corruption is an indispensable job to ensure the smooth progress of the reform, opening up, and economic construction, an important aspect of the building of socialist spiritual civilization, and an important way to strengthening the leadership by the party and the building of government. The phenomena of corruption are viruses that invade the healthy body of the party and government. If they were allowed to develop, they would ruin our party, our people's government, and our great cause of socialist modernization. We must be fully aware of the seriousness of this struggle. While having a sense of urgency, we should make steady and unremitting efforts, highlight important points, do practical work, make sure that significant phased achievements be made before the end of this year, and help push ahead with the anticorruption campaign in greater depth. Adhering to the principle of doing two types of work simultaneously with equal strength is an essential requirement of a socialist society. While energetically conducting the anticorruption campaign, we should, with vigorous efforts, conduct education for the whole people in socialism, patriotism, and collectivism; against hedonism, out-and-out individualism, and money worship; and in the 64-character pioneering spirit advocated by Comrade Jiang Zemin. "Only when both material civilization and spiritual civilization are in good shape can it be called socialism with Chinese characteristics." We must always bear in mind this important principle and implement it throughout our practice.

Ours is a great nation, our people are heroic people, and our cause is a creative cause. The future of our great motherland is full of promise. Let us unite more closely under the leadership of the CPC Central Committee with Comrade Jiang Zemin at the core and advance with giant, confident strides along the road of socialism with Chinese characteristics!

Newspaper Hosts Midautumn Festival Gathering

OW1310101793 Beijing XINHUA Domestic Service in Chinese 1531 GMT 29 Sep 93

[Text] Beijing, 29 Sep (XINHUA)—This evening, GUANGMING RIBAO invited more than 200 new and old friends from educational, scientific and technological, literary and art, theoretical, industrial, press, and publishing circles to a Midautumn Festival gathering to admire the full moon. Attending the meeting were responsible comrades from relevant departments including Lu Jiaxi and Li Peiyao, vice chairmen of the National People's Congress Standing Committee; Xu Weicheng, executive deputy director of the CPC Central Committee Propaganda Department; and Gong Xinhan, deputy director of the CPC Central Committee Propaganda Department.

Proletarian revolutionaries of the older generation and central leading comrades, including Mao Zedong, Zhou Enlai, and Deng Xiaoping, have been showing concern and

support for GUANGMING RIBAO since its founding. At the same time, the paper has also been greatly appreciated by intellectual circles.

Jiang, Li Peng Fete Compilers of Encyclopaedia

OW081014493 Beijing XINHUA in English 1430
GMT 8 Oct 93

[Text] Beijing, October 8 (XINHUA)—Chinese President Jiang Zemin and Premier Li Peng today met with scholars and experts who worked on the "China Greater Encyclopaedia" at the Great Hall of the People.

The experts and scholars were here to attend a meeting to mark the complete publication of the "China Greater Encyclopaedia."

Jiang, who is also general secretary of the Central Committee of the Chinese Communist Party, said that the encyclopaedia provides various types of basic knowledge and will help in the national modernization drive.

Its publication also means that China's cultural and publishing services have reached new heights, Jiang added.

Jiang Zemin and Li Peng expressed their thanks to more than 20,000 scholars and experts who were engaged in writing and editing the encyclopaedia.

Consisting of 74 volumes with 77,859 entries, the encyclopaedia involves 66 fields, including philosophy, social sciences, literature, art, education, natural sciences, engineering and technology.

Started in 1978, the work took 15 years to complete.

The state allocated 80 million yuan to finance the publication.

Deng Xiaoping inscribed the title of the publishing house which put out the encyclopaedia.

Chinese leaders Ding Guangen, Li Lanqing, Wen Jiabao and Bo Yibo were also present at the meeting.

Vice chairmen of the Standing Committee of the National People's Congress Lei Jieqiong, Lu Jiaxi and Wu Jieping, along with State Councillor Song Jian and vice chairmen of the National Committee of the Chinese People's Political Consultative Conference Hu Sheng and Qian Weichang were also at the meeting as experts and scholars who had worked on the encyclopaedia.

Li Ruihuan Named Handicapped Group Honorary President

OW0910164593 Beijing XINHUA in English 1520
GMT 9 Oct 93

[Text] Beijing, October 9 (XINHUA)—The second national congress of the China Association for the Handicapped closed here this afternoon.

Li Ruihuan, chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), was named honorary president of the China

Association for the Handicapped, and Peng Peiyun, state councillor and director of the Coordination Committee for the Handicapped under the State Council, was named honorary vice president of the federation.

Deng Pufang was reelected as president of the federation.

CPPCC Chairman Li sent a message to congratulate participants on the success of the congress, which opened last Wednesday [6 October].

Doctor Harry S. Y. Fang, president of the Rehabilitation Federation of Hong Kong, delivered a congratulatory speech at today's meeting on behalf of a delegation of members of organizations for the disabled in Hong Kong and Macao.

Today's closing meeting also passed the report of the first presidium and an amendment to the rules of the association.

Commentary Stresses Efforts To Benefit Disabled

HK1010073293 Beijing CHINA DAILY in English
9 Oct 93 p 4

[CHINA DAILY Commentary: "Work For the Disabled"]

[Text] The China Disabled Persons' Federation (CDPF) concludes its second national congress today. During its four-day-long session, the congress reviewed its work for China's disabled people over the past five years and made a work plan for the years leading to the end of the century.

China has more than 50 million people with various disabilities. They account for 5 percent of the total population. To see to their welfare is an obligatory duty of the nation.

This unfortunate lot has received the attention of the government and the whole nation, particularly during the past decade with the institution of reforms, and especially during the last five years after the first CDPF national congress in 1988.

A special law has been adopted for the protection of the disabled. A five-year work programme has been formulated and conscientiously put into practice.

As a result, remarkable achievements have been made in the rehabilitation, education, employment and lives of the disabled.

For instance, the number of schools for disabled children has increased from 400 in 1988 to more than 1,000 in 1992.

Students in special education have increased six-fold so the current enrollment is larger than the sum total of the 100 years since special education had its beginning in China.

More than 800,000 disabled people in urban areas have found jobs in some 4,900 welfare factories. Rehabilitation projects have restored sight in about 900,000 cataract

patients, 38,000 deaf-mutes have learned to speak and 320,000 polio victims have had remedial surgery.

However, due to the amount of progress still to be made, the enormous efforts during recent years have not yet fundamentally changed the fact that disabled people still constitute a disadvantaged portion of society.

The socialist market economy that is fast taking shape in China will, in the long run, benefit the disabled along with other sectors of society.

However, the introduction of competition with resulting emphasis on production efficiency will pose problems for the disabled.

Therefore, it is necessary to take special measures to ensure the disabled, as honourable citizens of the country, participate on equal footing with all others and reap their due share of the fruits of economic and cultural achievements.

The congress deserves praise for its stressing a practical approach and solid results in its plan for the disabled.

Facing the grim reality of the most unfortunate individuals, it sets itself the primary goal of making sure the disabled each have, at least, a full belly and a warm back.

The plan also envisions school enrollment benefiting 80 percent of all disabled children. About 80 percent of those needing employment will be given professional training. About 80 percent of the disabled who can work will be employed in urban or rural areas.

The rehabilitation programme will involve about 2 million persons.

All this will mean a good deal for the disabled, given the current financial resources of the country.

Meanwhile, we hope the disabled will continue to display courage and fortitude fighting their personal battles. Many of them warrant our respect for the willpower and dignity with which they lead their lives.

Readiness to lend a compassionate helping hand to those in need is a fine tradition of our nation. Moreover, our society advocates socialist humanitarianism, as witnessed by the measures of the government.

With further economic prosperity, the disabled in our country surely will lead a richer, better and happier life as will all others.

State Council Appoints, Removes Government Officials

OW1310113193 Beijing XINHUA Domestic Service in Chinese 0746 GMT 13 Oct 93

[Text] Beijing, 13 Oct (XINHUA)—The State Council has appointed Zou Yuchuan as vice minister of the Ministry of Construction and concurrently director of the State Land Administration Bureau and Tong Zengyin as vice chairman of the State Council's Securities Commission as well as vice chairman of the China Securities Supervision and Management Commission. The State Council has

removed Linghu An from the post of vice minister of the Ministry of Labor, and Wang Xianjin from the post of director of the State Land Administration Bureau.

Regulations on Satellite Receiving Equipment

OW0910023993 Beijing XINHUA Domestic Service in Chinese 1337 GMT 7 Oct 93

[Text] Beijing, 7 Oct (XINHUA)—Provisions on the Management of Ground Receiving Equipment for Satellite Television Broadcasting:

Article 1. These provisions have been formulated to strengthen the management of ground receiving equipment for satellite television broadcasting and to promote socialist spiritual civilization.

Article 2. The ground receiving equipment for satellite television broadcasting mentioned in these provisions (hereinafter called satellite ground receiving equipment) refers to such equipment as antennae, tuners, receivers, encoders, and decoders for receiving television programs transmitted via satellite.

Article 3. The state implements a licensing system for the production, import, sale, installation, and use of satellite ground receiving equipment.

The State Council administrative departments concerned shall specify the licensing requirements for the production, import, sale, installation, and use of satellite ground receiving equipment.

Article 4. Satellite ground receiving equipment shall be produced by enterprises designated by State Council administrative departments in charge of the electronics industry. No other units may engage in its production.

Article 5. Satellite ground receiving equipment shall be sold by units designated by the industrial and commercial administrative departments of provincial, autonomous regional, and municipal people's governments in conjunction with administrative departments in charge of internal trade, radio, television, and electronics. No other units or individuals may engage in its sale.

Article 6. Imported satellite ground receiving equipment must be accompanied by certificates issued by State Council administrative departments in charge of radio, cinema, and television. Special parts and components for imported satellite ground receiving equipment must be accompanied by certificates issued by State Council administrative departments in charge of the electronics industry. They must undergo examination and approval procedures by State Council administrative departments in charge of the export and import of machinery and electronic products. Customs authorities shall clear those parts and components against examination and approval documents.

Individuals are banned from bringing in or mailing satellite ground receiving equipment into the country.

Article 7. Quality certificates and certification marks for satellite ground receiving equipment shall be issued by

certification agencies recognized by State Council departments in charge of supervising and controlling product quality or by certification agencies recognized by organs authorized by those quality supervision and control departments, after the equipment is certified as being up to standard in accordance with laws and regulations on quality certification. Equipment whose quality has not been certified may not be sold or used.

Article 8. Units that want to install satellite ground receiving equipment must apply to the radio and television administrative departments of their local county and city people's governments. Their applications must be submitted to the radio and television administrative departments of provincial, autonomous regional, and municipal people's governments for examination and approval. They may buy satellite ground receiving equipment with the certificates issued by the examination and approval organs. After the equipment is installed, the examination and approval organs shall issue a "license for receiving television programs transmitted via satellite."

Article 9. No individuals may install or use satellite ground receiving equipment.

In exceptional circumstances in which individuals really need to install or use satellite ground receiving equipment and in which they fulfill the licensing requirements specified by State Council administrative departments in charge of radio, cinema, and television, they must file applications with their units to install or use such equipment. With the consent of the radio and television administrative departments of their local county and city people's governments, their applications must be submitted to the radio and television administrative departments of provincial, autonomous regional, and municipal people's governments for examination and approval.

Article 10. Satellite ground receiving equipment installed without approval prior to the promulgation of these provisions must undergo examination and approval procedures in accordance with these provisions within six months of the latter's promulgation.

Article 11. In cases in which satellite ground receiving equipment is produced without authorization in violation of these provisions, administrative departments in charge of the electronics industry shall order a cessation of production.

In cases in which satellite ground receiving equipment is sold without authorization in violation of these provisions, industrial and commercial administrative departments shall order a cessation of sales and confiscate the equipment. They may also impose fines up to but not more than twice the sales value.

In cases in which satellite ground receiving equipment is installed and used without authorization in violation of these provisions, radio and television administrative departments shall confiscate the equipment in question. They may concurrently impose fines of not more than 5,000 yuan on the individuals concerned or fines of not more than 50,000 yuan on the units concerned.

Article 12. If the parties concerned find the penalty decision unacceptable, they may apply for administrative reconsideration or may file administrative lawsuits in accordance with the relevant laws and administrative rules.

Article 13. Rules for the implementation of these provisions shall be formulated by State Council administrative departments in charge of radio, cinema, and television in conjunction with relevant administrative departments.

Article 14. These provisions shall take effect upon their promulgation.

Li Peng Signs Decree

OW0910000293 Beijing XINHUA Domestic Service in Chinese 1019 GMT 7 Oct 93

[Text] Beijing, 7 Oct (XINHUA)—Decree No. 129 of the State Council of the People's Republic of China:

The "Provisions on the Management of Ground Receiving Equipment for Satellite Television Broadcasting" adopted by the State Council's seventh executive meeting on 20 August 1993 are hereby promulgated. They will take effect on the date of promulgation.

[Signed] Premier Li Peng
[Dated] 5 October 1993

Official Affirms Ban on Private TV Dishes

HK1010073193 Beijing CHINA DAILY in English 9 Oct 93 p 3

[Text] China reaffirmed this week that no Chinese residents are allowed to install or use private satellite television receiving equipment, except in a few special circumstances.

A new regulation was put into effect on Tuesday, which will guide the production, import, sale, installation and use of satellite television programme receiving facilities in China.

Signed by Chinese Premier Li Peng, the regulation empowers government departments to launch a licence system to guide this business, which became hot but out of control in past years.

In 1990, the ministries of radio, film and television, public security and State security jointly published a regulation on receiving foreign satellite television programmes.

But it does not fit the current situation. And it has no article guiding the production and sale of such equipment, said an official with the Ministry of Radio, Film and Television in a telephone interview.

But she added that the old regulations are still in effect. If there is contradictory stipulation, the new regulation should be followed.

Chinese residents will be given the licence for receiving satellite TV programmes only in cases where no good TV signal is available through common measures in the

regions they live or satellite TV programmes are necessary for their work, the official said.

According to the new regulation the producers and sellers of such facilities must apply for licences from government departments on the provincial level in charge of electronics industry and domestic trade, respectively.

In past years, producing and selling such facilities boomed throughout China and many Chinese families are equipped with satellite dishes on their roofs or balconies, especially in large, open cities in the southern and eastern part of the country.

The dishes are detrimental to the environment and it is unnecessary for each family to have its own dish said the official.

Most of the family satellite dishes in China are directed to the Asiasat-1 telecommunications satellite, which provides 7 channels, including 5 from the Hong Kong-based Star TV Network and two from the Chinese mainland.

According to the official, radio, film and television authorities on the provincial level have the power to approve local cable TV stations to transmit programmes to their clients to replace private dishes, but the ministry does not encourage such practice.

There was no indication of what procedures families should follow if they cannot get licences within six months as required in the regulation, she said.

Beijing Court Delays Decision on Han Dongfang Lawsuit
HK1310041693 Hong Kong THE STANDARD in English 13 Oct 93 p 3

[By M.Y. Sung]

[Text] A Beijing court has delayed a decision on whether to hear exiled dissident Han Dongfang's lawsuit against the Chinese Government. The Beijing People's Intermediate Court has deferred a decision calling for further documentation to prove the application's validity. The court was due to announce today whether it would hear Han's lawsuit against the Chinese Public Security Ministry.

Han lodged a lawsuit with the Chinese court last week accusing the ministry of contravening Chinese law by revoking his passport and expelling him from the country.

Han was notified by his Beijing-based legal adviser, Zhou Guoqiang, yesterday that the court required further documentation to prove that Zhou's application was from Han himself.

Han accused the court of using delaying tactics but said it had reasons to be cautious as he was suing an arm of the government.

Labour activist Han, 30, was on his way home to Beijing after a year abroad when he was detained by police in Guangzhou on 14 August and expelled across the border into Hong Kong.

Han and Zhou will attempt to fulfill the court's requirement within the next few days. "Now it is hard to tell when the court will make its decision to hear the case," Han said.

Han remained confident the case would be accepted if he fulfilled the court's requirement.

Han told THE STANDARD he wanted to return home but the chances of a successful court hearing looked slim because China's judicial system was tainted by politics.

The ministry alleged Han had violated the Chinese constitution by engaging in anti-China activities abroad.

Science & Technology

Song Jian Urges Promotion of S&T Law

OW0910111093 Beijing XINHUA Domestic Service in Chinese 0733 GMT 27 Sep 93

[By reporter Yang Zhaobo 2799 0340 3134]

[Text] Beijing, 27 Sep (XINHUA)—When interviewed by this reporter today, State Councillor Song Jian said the law to promote scientific and technological progress is a major guarantee to push forward the development of our country's science and technology, a great achievement in building a socialist legal system, and a hope for our country's socialist modernization construction. He said the scientific and technological law will inject a new vitality into our country's science and technology.

On 3 July 1993 the second meeting of the Eighth National People's Congress adopted the "Law of the People's Republic of China on Promoting the Progress of Science and Technology" at an important juncture in our country's efforts to deepen reform, expand opening up, and accelerate the pace of modernization construction. Our country's first law to promote science and technology will come into force on 1 October 1993.

Song Jian said implementation of this law will have major and immediate as well as far-reaching historical significance in pushing forward our country's scientific and technological progress and economic development; in accelerating socialist modernization construction; and in realizing a brilliant civilization and all round progress for the Chinese nation. The characteristics of the law amount to the following: First, it makes economic construction the central task; it adheres to the strategic thinking of science and technology being the primary productive forces; and it seeks to solve problems which might arise from commercialization, industrialization, and internationalization of scientific and technological results. Second, by making reform and opening up the main tasks, it seeks through legislation to comprehensively sum up and vigorously promote the reform of scientific and technological as well as economic structure. Third, it tries to tackle major contradictions; it sets forth basic standards on guiding our country's scientific and technological progress for the present and for a considerable period in the future; and it works out major measures to solve the problems which might arise from the integration of science, technology,

and economy. Fourth, it seeks to come close with and converge with international norms.

When touching on ways to implement the law, Song Jian talked about the need to closely integrate the tasks now being undertaken by the scientific and technological front to deepen reform and accelerate development with those tasks of implementing the law. He particularly stressed the need to follow the principle of "go for further development while consolidating the results of development," to step up the work of personnel-sharing and of readjusting organization structures, to deepen scientific and technological structure reform, and to promote the incorporation of China's science and technology into a legal framework.

Song Renqiong at Ceremony for Atomic Sciences Founder
OW1110121793 Beijing XINHUA in English 1140 GMT 11 Oct 93

[Text] Beijing, October 11 (XINHUA)—Defying an autumn drizzle, 100 scientists gathered today to mark the 80th anniversary of the birth of the late Prof. Qian Sanqiang (1913-1992), founder of China's atomic sciences, and the launching of the *Selected Works of Qian Sanqiang*.

Amid the beating of drums and gongs, a statue of the professor was unveiled at the China Institute of Atomic Energy (CIAE) which he founded in 1951. Some of his ashes were buried at the institute as requested in his will.

The guest of honor was Song Renqiong, China's first minister of nuclear industry. Among those were scientists Wang Ganchang, Wang Daheng, Wang Dezhaoh, Peng Huanwu and Zhu Guangya, who had worked with Qian on China's first atomic and hydrogen bombs.

Some of his former students were also there: Jiang Xinxiong, general manager of the China Nuclear Industry Corporation (CNIC), Zhou Guangzhao, president of the Chinese Academy of Sciences (CAS), and Sun Zuxun, the current CIAE president.

"His devotion to China and science will inspire us forever," said Sun in a commemorative speech.

In developing the nuclear industry, said CNIC General Manager Jiang Xinxiong, the country now concentrated on use of nuclear technology for peaceful purposes, with priority given to nuclear power stations.

"Time has changed, but what remains vital is Prof. Qian's spirit—the spirit of utter devotion to the development of science," Jiang said.

In 1937, Qian went to study at the Paris Institute of Radium under Frederic Joliot and Irene Joliot-Curie, both Nobel prize winners for science.

In 1947, the French Central Academy of Scientific Research named Qian research professor, an honor it had seldom given to non-French scholars. The following year, Qian and wife He Zehui, also a noted scientist, returned home, determined to help build a New China which was in the offing.

He had to start from scratch. While organizing the research staff, he attended to what was basic—developing testing and measuring instruments, building a particle accelerator, extracting uranium from crude ores and purifying graphite and heavy water for nuclear fuel.

"It was our teacher, Prof. Qian, who initiated the research in China on ignition neutron sources, the theories of hydrogen bomb building and the technological process for the production of nuclear fuel," he added.

Guangdong To Have More Nuclear Power Projects
HK1310052493 Beijing ZHONGGUO XINWEN SHE in Chinese 1158 GMT 12 Oct 93

[Text] Guangzhou, 12 Oct (ZHONGGUO XINWEN SHE)—At the opening ceremony of Guangdong Nuclear Power Exhibition held in Guangzhou Zhongshan Library today, Zhang Gaoli, vice governor of Guangdong Province, said that the soon-to-be-commissioned Daya Bay Nuclear Power Station provides experience for Guangdong's nuclear power development in the future. Guangdong will keep pushing ahead with the development of nuclear power generation to make up for the power shortage that has been hampering Guangdong's economic development.

Zhang Gaoli said in his speech that as much as 30 percent of the total electric power supply needed is not available. Daya Bay Nuclear Power Plant, after going into operation, will generate about 10 billion to 12.6 billion kwh each year, thus alleviating the strain on electricity supply in the province.

The Guangdong Nuclear Power Exhibition, which opened today, covers the principles of nuclear power generation and safety knowledge. Song Zhiying, Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference; Guo Xiangyang, vice mayor of Guangzhou; Zan Yunlong, general manager of the Guangdong Nuclear Power Joint Company; and persons in charge of other relevant departments attended the opening of the exhibition.

Plan for Nuclear Reactors To Heat Urban Buildings
HK1010081793 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Oct 93 p 1

[By Liu Weiling: "Nuke Heat For China's Urban Areas"]

[Text] Nuclear power stations are not the only way China is putting its advanced nuclear technology to civilian use.

Now the country is looking at a small heat-source reactor to provide heat to urban areas.

In an experimental move, a 200-megawatt reactor will be built in Daqing Oilfield in North China's Heilongjiang Province before 2000, according to Wang Yongqing, division head of the Institute of Nuclear Energy Technology at Qinghua University.

Compared with nuclear power plants, these reactors are smaller, do not need extra security equipment and make use of the heat usually wasted or cooled at nuclear power stations.

If the experiment proves to be a success, such reactors are expected to be built in many cities across the country, Wang said.

Wang said a lot of cities, especially in South China where central heating is rarely used, have applied to build the heating reactors.

Qinghua University is home to China's only urban heat-source reactor, an experimental model rated at 5 megawatts. The reactor has been operating for more than four years.

The 200-megawatt reactor will generate heat to warm about 4 million square metres of buildings. The life-span of the reactor is designed at 40 years.

Meanwhile, the reactor can be used to cool rooms in summer and desalinate sea water.

Wang said some foreign countries have asked China's help in desalinating sea water using nuclear technology.

Wang said building heat reactors is a practical way to keep homes and workplaces warm during the winter. It can replace coal and fossil fuels and ease the country's power shortage and reduce air pollution.

It is estimated that China burns about 100 million tons of coal every year to heat its cities.

Wang said the design of the reactor has used internationally-advanced technologies, adding the reactor equipment can be produced in China.

Shanghai Satellite Earth Station Linked to Network

HK1110085693 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1013 GMT 20 Sep 93

[Text] Shanghai, 20 Sep (ZHONGGUO TONGXUN SHE)—A domestic satellite earth station located in Qibao, Shanghai, has completed the on-line testing of its 16- and 13-meter antennas, and has been approved by China Satellite Communications Corporation to linkage to the network.

The newly built Qibao domestic satellite earth station has an initial operating capacity of more than 1,000 satellite circuits transmitting in 13 directions, to Beijing, Hohhot, Shenyang, Harbin, Guangzhou, Haikou, Chengdu, Chongqing, Xian, Urumqi, Lhasa, and so on. By the end of the year, it will have some 300 additional circuits transmitting in five directions, to Wuhan, Fuzhou, Kunming, Lanzhou, and Nanning.

This domestic satellite earth station, which has begun trial operation, was constructed with a loan provided by the Canadian Government, with a total investment amount of approximately 57 million yuan. After two years under

construction, it has completed the building of infrastructure, laid fiber optic cables, and installed and tested equipment. It also has passed on-line testing and verification with the "Zhong Xin No. 5" and international satellites, one after the other.

Space-Bred Vegetables Ready for Normal Planting

OW1210010393 Beijing XINHUA in English 0013 GMT 12 Oct 93

[Text] Harbin, October 12 (XINHUA)—China's space-bred vegetables are ready to leave the laboratory and be grown in open fields.

Deng Liping, a senior researcher at the Horticulture Institute of the Heilongjiang Academy of Agricultural Sciences, said his institute has successfully produced the sixth generation of vegetables from seeds shot into space together with a retrievable satellite.

The vegetables include sweet peppers, tomatoes and eggplants, and mass production of them has begun.

Compared with ordinary vegetables, Deng said, those processed in space have a much higher production rate and a stronger resistance to cold weather and diseases.

For example, the per ha production of space-processed sweet peppers can reach 45,000 kg, about 115 percent higher than in the case of ordinary seeds, according to Deng.

A single space-processed sweet pepper weighs 250 g on average and as much as 400 g maximum when fully grown. And a space-processed eggplant can be 40 cm long, Deng said.

Space-processed vegetables are not only high-yielding, Deng said, they are also juicy and rich in nourishment.

Deng said China's processing of seeds in space started in 1987, when his institute co-operated with the Institute of Genetics under the Chinese Academy of Sciences to send a dozen kinds of vegetable seeds into space aboard a retrievable satellite.

Deng said the seeds stayed five days at a height of 200 km above the earth, where high doses of ultraviolet rays and other types of radiation caused beneficial changes in the seeds.

Scientists believe that the application of space-processed vegetable seeds to field production will bring about a new boost in China's vegetable farming.

Seismologist Develops Earthquake Prediction Method

OW1010030993 Beijing XINHUA in English 0229 GMT 10 Oct 93

[Text] Kunming, October 10 (XINHUA)—A seismologist from Southwest China's Yunnan Province has drawn the attention of foreign counterparts due to his accurate forecasts of earthquakes that struck last year and this year.

Jin Huai, a senior engineer with the Seismology Office in Kunming, the capital of Yunnan Province, was an amateur seismologist for years before he began working as a professional. He made a thorough study of the records of earthquakes in Southwest China between 1901 and 1984, focusing on the epicentral movement. Jin applied his findings to ascertaining seismic danger areas and has achieved initial successes.

In 1976, he successfully predicted an earthquake in Yunnan and another in the neighboring province of Sichuan.

In recent years, Jin's efforts have concentrated on prediction of short-term (within months) and impending (within days) earthquakes.

Jin noticed last October that no earthquake had hit Yunnan, a region prone to quakes, for more than a year. Thinking this was unusual, he made a systematic study of local seismic belts and the areas under their influence. After collecting myriad data, Jin calculated the time, site and intensity of possible quakes by various means.

On December 12, 1992, he warned that possible quakes might occur on December 15 the same year, and on January 4 and in February the next year. He also predicted the areas and magnitude. Six days after the warning, two shocks, of 5.4 and 5.1 magnitude respectively, hit Yongsheng County in the province. And in January this year, a magnitude-6.3 quake rocked Puer in the province.

Jin began his exploration in 1970, when several relatives and friends of his were killed in a quake.

He has been invited to attend an international seminar on seismology in Japan later this month.

Science Personnel Play 'Important Role' in Local Economies

OW1210141793 Beijing XINHUA in English 1403
GMT 12 Oct 93

[Text] Nanning, October 12 (XINHUA)—Deputy county heads in charge of the promotion of science and technology are playing an increasingly important role in the development of the economy at the local level, according to participants in a recent meeting of representatives in the capital of southwest Guangxi Province.

Representatives at the meeting said about 3,700 science personnel have been selected for the post of deputy county heads throughout the country since 1984, and that 80 percent of Chinese counties now have such a post.

As a measure in the economic reform, representatives said, the participation of these deputy county heads in decision-making has made local policies and economic development programs more scientific.

The representatives said that these deputy county heads have promoted the application of science and technology in production. A survey of 11 provinces shows that they

have helped implement 22,800 technology application projects, creating a total production value of 367 billion yuan in the past five years.

These deputy county heads have also helped in training agricultural technicians in rural areas and in setting up science and technology research centers in some 1,600 counties.

During the meeting, the representatives also explored how deputy county heads in charge of science and technology can play a bigger role in the socialist market economy.

Military

Generals Reportedly Sign Petition on Yinhe Incident

HK1110034493 Hong Kong CHING PAO in Chinese
No 10, 5 Oct 93 p 54

[By Meng Lin (1322 3829): "Generals Jointly Sign Petition on Yinhe Incident"]

[Text] Stories have it that, greatly indignant at the Yinhe incident, the Chinese military has demanded that the Chinese Government take the matter up seriously with the U.S. authorities and ask the American side to give an open apology, as well as reasonable compensation. They demanded that the Chinese Government adopt appropriate measures against the hegemonist behavior of the U.S. authorities, which severely violated international law and China's national dignity and sovereignty, and which imperiously refused to make either an apology or compensation after the whole truth had come out.

Sources in Beijing have disclosed that in early September, eight CPC new and veteran generals, including Qin Jiwei, Chi Haotian, Zhang Wannian, Ding Henggao, Zhang Lianzhong, Cao Shuangming, Zhu Dunfa, and Gu Hui, jointly drafted a petition to both Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, and Deng Xiaoping. In the petition, they demanded that China should make clear its solemn and just stand, adopt concrete measures, and work out a long-term strategy in the face of the challenges of the United States, which openly broke international norms and infringed upon China's national dignity and sovereignty. In as short a period as two days, 180 new and veteran generals, including the retired, signed their names on the letter to show their stand and will on the issue.

On the evening of 8 September, 12 new and veteran generals including Chi Haotian, Zhang Wannian, Ding Henggao, Zhao Nanqi, Zhang Lianzhong, Cao Shuangming, Gu Hui, Hong Xuezhi, Zhu Dunfa, Gu Shanqing, Wang Hai, and Yang Guoliang, submitted the petition, signed by 180 new and veteran generals, to Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, in Jingxi Hotel. During the meeting, representatives of the generals told Jiang Zemin that they could not understand the soft stance the central authorities have taken against the U.S. violation of China's national dignity and sovereignty.

Meanwhile, they demanded proper countermeasures be taken against the hegemonism and power politics of the United States, as well as against its intention to impose pressure on China with the three major issues of "human rights, GATT trade talks, and arms sales."

Sources have also revealed that the generals were very excited during the meeting. Generals Chi Haotian, Zhang Wannian, and Yang Guoliang indicated: The sacred responsibility of the People's Liberation Army is to defend the sovereignty, territories, and internal affairs of our motherland; tolerate no hegemonism, interference, subversion, and aggression of power politics; and strike due counterblows to hegemonists whenever they stir up disputes. Neither the Chinese people nor the People's Liberation Army will ever forget the interference and bullying of the U.S. hegemonists China has suffered in the 1990's, who threatened and invaded China with warships, and sold advanced naval and aeronautical weapons to Taiwan to obstruct the peace and unification cause across the Taiwan Straits.

During the meeting, Jiang Zemin relayed to the generals Deng Xiaoping's greetings as well as the following views: **The unity and concerted efforts of the Army are basic guarantees for the success of China's construction cause.** Since we developed atomic bombs in the 1960's, we are no longer afraid of the threats and bullying of the two hegemonists. In the 1990's, our comprehensive national and military strength has already enabled us to hit back at the hegemonist interference and aggression of the United States. It is essential to accelerate the development of high-tech, advanced, and sophisticated conventional weapons, as well as strategic nuclear weapons, during the course of economic construction. **We should pay greater attention to and do more solid work in army reform. Ours is an open principle, that is, we oppose the interference, subversion, and aggression of hegemonists.** Jiang Zemin added during the meeting: With such an army that loves the motherland, the people, and the cause of the party, there is nothing that we cannot accomplish.

Editorial Urges Army To Implement Party Basic Line

*HK0810130193 Beijing JIEFANGJUN BAO in Chinese
1 Oct 93 p 1*

[Editorial: "Strive To Win New Victory in Army Reform and Building Under the Guidance of the Party's Basic Line"]

[Text] A new page in the annals of the People's Republic has been turned. In golden autumn, when countless great achievements have been scored in the drive to reform and open up to the outside world and modernization. Together, with the people of all nationalities throughout China and filled with joy over the great achievements, all the officers and men in the Army are ushering in another joyous festival of National Day.

The journey during the last 44 years has been extraordinary and the great changes in the last 15 years have been eye-catching. What is really encouraging is that, under the

guidance of the important talks by Comrade Deng Xiaoping during his southern tour and the spirit of the 14th CPC National Congress, China's national economy has maintained its momentum of vigorous development, new advances have been made in the various reforms centered on establishing a socialist market economic structure and in opening up to the outside world, and marked achievements have been scored in various projects. The whole country seethes with activity. The great achievements in reform and construction fully prove the party's basic line, which was formed under the guidance of the theory of building socialism with Chinese characteristics and profoundly reflects the basic laws governing China's socialism construction, is: A great banner which embodying the common aspirations of the party, Army, and the people; a shining beacon guiding us in withstanding all sorts of dangers and trials, advancing from victory to victory with our cause; the lifeline of the party and the state; and the source of happiness of the people of all nationalities across the country. For the state to prosper, the nation to rejuvenate, and the people to get rich, it is imperative to uphold the party's basic line without wavering. By unswervingly following this line, China's socialist system can surely be consolidated and developed, the state and society can surely maintain a long period of order and stability, and the magnificent goal of modernization can surely be attained smoothly.

Similarly, unswervingly implementing the party's basic line is of extremely great significance in strengthening army building. Ours is a People's Army under the party's absolute leadership, which is manifest mainly in political leadership, the leadership of the party's line. As an armed group which unremittingly works for the realization of the party's program and line, only when it unswervingly implements the party's basic line can our Army correctly understand and carry out the party's numerous principles and policies of deepening reform, opening up wider to the outside world, and accelerating economic development and always maintain a high degree of unity in politics, thinking, and action with the party Central Committee. Serving the people wholeheartedly is our Army's only purpose. The party's basic line embodies, in a concentrated way, the fundamental interests of the broad masses of the people. Only when we unswervingly safeguard the party's basic line, and strive to score successes in implementing it, can we make the greatest contributions to the people's fundamental interests. Our Army is the powerful pillar of the people's democratic dictatorship, a great wall of steel guarding the motherland. Only when the party's basic line is used to strengthen the Army's morale, and unify the will and action of cadres and soldiers, can their sense of mission and responsibility be stimulated to the greatest extent and their enthusiasm and creativity be brought into full play. Only in so doing can our Army continuously enhance its combat capability, better exercise its fundamental functions, and provide a powerful security guarantee to reform and opening up as well as economic construction. Unswervingly implementing the party's basic line is also the inevitable demand of strengthening the building of the Army itself. Army reform and building

in various aspects are inseparable from the guidance of the party's basic line. Only under its guidance can army reform and building have a correct orientation in line with the state's construction and reform. In a word, the party's basic line is closely bound up with the Army's destiny and future. It is also the Army's lifeline and source of victory.

Implementing the party's basic line is a long-term historic mission. As far as the Army is concerned, it should carry forward the work in all fields of endeavor in a down-to-earth manner and comprehensively enhance its combat capability in accordance with Comrade Deng Xiaoping's general goal of building a modern, regular, and revolutionary army and Comrade Jiang Zemin's general requirement of "being politically qualified and militarily competent and having a good style, strict discipline, and adequate maintenance and supplies." The party's basic line was formed under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and, at the same time, it is the core element and concentrated embodiment of the theory. To continuously enhance the willingness and determination to implement the party's basic line, it is necessary to carry out the task of arming the whole Army with the theory of building socialism with Chinese characteristics. The objective set by the party's 14th national congress to establish a socialist market economic structure is a strategic move to uphold economic construction as the center and to deepen reform. In implementing the party's basic line, one prominent topic is to correctly understand the necessity to develop a socialist market economy, enhance one's sense of reform, better foster an overall point of view, correctly approach the interest readjustments brought about by reform, and firmly support the numerous principles and policies adopted by the party and the state to deepen reform. The building of party style and clean administration, which is currently being carried out in the Army, is of extremely great significance both in doing a good job of army reform and building and in exercising the Army's fundamental functions properly and safeguarding national security and stability. In the final analysis, it is also the internal requirement of implementing the party's basic line. It is imperative to work hard to achieve better results in carrying out the building of party style and clean administration, an important task which has a bearing on the future and destiny of our party, our state, and our Army. We are firmly convinced that so long as officers and men of the whole Army more closely rally around the party Central Committee, with Comrade Jiang Zemin as the nucleus, and the Central Military Commission and unswervingly implement the party's basic line, we will surely be able to continuously win new victories in army reform and building.

Drafting Committee for National Defense Law Meets

OW0910153293 Beijing XINHUA in English 1451
GMT 9 Oct 93

[Text] Beijing, October 9 (XINHUA)—The drafting committee for the National Defense Law of China held its first plenary meeting here today.

With the approval by the State Council and the Central Military Commission, the committee has officially been founded and Chi Haotian, state councillor and minister of national defense, was appointed its director.

The committee is expected to formulate a draft national defense law in one year. Its first meeting discussed the guideline and principles, responsibilities and tasks for the work concerning law drafting.

Chi Haotian said that it is an urgent task for China to formulate a draft National Defense Law, for the law will help ensure a smooth development of China's reform and opening-up, as well as the country's long-term stability and security.

He said that the national defense law will be an authoritative guarantee for enhancing construction of national defense, and for state security and the interests of the armymen.

The law will also serve as an "automatic regulator" for the increasingly complicated relations in the construction of national defense, Chi Haotian said.

Shandong Holds Forum on Urban Militia Work

SK1010073093 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 9 Oct 93

[Text] The Shandong provincial forum on urban militia work was held in Jinan on 9 October. Lieutenant General Qu Jining, deputy political commissar of Jinan Military Region; Liu Guofu, member of the standing committee of the provincial party committee and political commissar of the provincial military district; Yi Yuanqiu, commander of the provincial military district; Vice Governor Zhang Ruifeng; and leading comrades, including (Yu Fuzhong) of the organization and planning bureau of the Mobilization Department of the General Staff Headquarters, attended and addressed the forum.

It was stressed at the forum that the militia reserve duty work of the new period should be developed in line with the overall situation of economic construction and be improved to meet the needs of building national defense.

It was pointed out at the forum that the regulations promulgated by the [words indistinct] of the military region on militia and reserve duty work of enterprises are the basis for successfully carrying out urban militia reserve duty work under the new situation of building the socialist market economy and changing the enterprise operational mechanism. All localities should scientifically grasp and implement them.

Yi Yuanqiu, commander of the provincial military district, gave a speech in which he summed up the province's new achievements and basic experiences in militia and reserve duty work over the past year and worked out plans for the province's urban militia and reserve duty work tasks for the present period and for some time to come.

In his speech, Vice Governor Zhang Ruifeng called on governments at all levels, plants and mining enterprises to

handle correctly the relations between economic construction and the building of national defense, give proper attention to urban militia work on their own initiative, attach simultaneous attention to both economic work and the building of militia and make new contributions to building national defense reserve forces and the two civilizations.

Inner Mongolia Reserve Infantry Division Commended

SK0910034693 Hohhot NEIMENGGU RIBAO in Chinese 17 Sep 93 p 1

[Text] The infantry division of the reserve force of the Army of Hohhot, which was established 10 years ago, has fully exploited its characteristic of serving as both soldiers and civilians to take an active part in building both material and spiritual civilizations of the localities. As a result, this division has not only strengthened itself but also promoted the social stability and economic construction of Hohhot.

All of the soldiers of this division are young workers of enterprises and young peasants in the countryside of Hohhot. Since its establishment on 17 September 1983, this division has always regarded military training as the central work and has given priority to ensuring the needs of military training in making work arrangements and using human and material resources. Since the division began to conducting high-level combat training in 1991, its 97 organic companies have all achieved fine results.

This division has fully utilized its advantages of being perfect in organization, being strict in commanding, and being strong in shock ability to voluntarily shoulder the urgent, difficult, dangerous, and heavy tasks of localities. Since the beginning of last year, the 2d regiment of this division has organized two companies' forces to participate in the building of Wanjiagou Reservoir, a key project of Hohhot during the Eighth Five-Year Plan period. With the work style of "being specially able to bear hardships and combat, in as short as two months' time, this regiment put in some 7,200 workdays to pull and carry some 6,700 cubic meters of concrete, and completed the first phase of the project 10 days ahead of schedule and before the arrival of the rainy season, thus winning high praise from local party committee and government and from the people in the old revolutionary base area. In line with the real situation of rural areas, the regiments 1, 2, and 3 of the infantry have positively organized reserve duty officers and soldiers to launch the activities of invigorating agriculture through science and technology and supporting the poor and helping the difficult. To change the poor outlook of his native place, Liu Juhou, reserve platoon leader of the regiment 3, led all soldiers of the platoon to level barren hillsides, carry fine earth, and plant grapes on a trial basis. When this was spread throughout the village, this village has changed from poor to rich all at once. Then, Liu Juhou again invested in building a beverage plant and a cold storage and created a new road of making production and processing a coordinated line. As a result, the per-capita income of this village has risen from 85 yuan in 1983 to more than 1,500 yuan. By adopting the method of "making

one soldier take charge of one household, making one platoon take charge of one village, and making one company take charge of one township," the regiment 3 of this infantry division has invited county scientists and technicians to explain the wheat and corn interplanting technique to soldiers during the intervals between trainings. Through one year's experiment, the per-mu yield of this village has increased from 300 kg to 600 kg. This technique is now being popularized throughout the county.

Over the past 10 years, this division has trained many special companies that are found useful. The distribution of soldiers has been expanded from original 13 townships and towns, 91 administrative villages, and 111 enterprises and establishments to 43 townships and towns, 423 administrative villages, and 175 enterprises and establishments.

Economic & Agricultural

Chen Jinhua Writes on Macroeconomic Control

OW0810130593 Beijing QIUSHI in Chinese No 16, 16 Aug 93 pp 9-13

[Article by Chen Jinhua, minister in charge of the State Planning Commission: "Strengthen and Improve Macroeconomic Regulation and Control"]

[Text] State Macroeconomic Regulation and Control Is an Indispensable Component of the Socialist Market Economy

The 14th party congress decided the objective of our country's economic restructuring is to establish a socialist market economy. To attain this objective, it is necessary, through reform, to let market forces serve as the basic means of regulating the allocation of resources and to have economic activities conducted according to the law of value, the rules of competition, and the principles of supply and demand; meanwhile, efforts should be made to optimize the allocation of resources, to promote technological progress, and to noticeably raise economic efficiency and benefits. In addition, we should also strengthen and improve state macroeconomic regulation and control, and institute a new system of macro regulations and control that meets the needs of the developing market economy.

In expounding the connotation of the socialist market economy, Comrade Jiang Zemin clearly pointed out that it is necessary to "let market forces, under macroeconomic control of the state, serve as the basic means of regulating the allocation of resources." The amendments to the constitution adopted at the First Session of the Eighth National People's Congress also explicitly provide: "The state practices a socialist market economy" and "the state shall improve macroeconomic regulation and control by strengthening economic legislation." This clearly shows the party and state regard macroeconomic regulation and control as an organic component of the socialist market economy. The main reason for this is market forces have many strong points in the allocation of resources and regulation of economic activities, but they also have weaknesses and negative aspects. Major manifestations are: The

regulation of economic activities by market forces, which is motivated by partial interests, has its blindness and spontaneousness, and its consequences are reflected only after the event. At the same time, some aspects of economic activities cannot be managed well or at all through market regulation alone. For example, in selecting strategic objectives for national economic and social development, maintaining a balance between total supply and demand in the national economy, readjusting major structures and arrangements, taking both fairness and efficiency into account in the distribution of income, and protecting natural resources and the environment, the state has to overcome the weaknesses of market regulation; and, remedy its defects through macroeconomic regulation and control in order to give full play to the role of market forces in optimizing the allocation of resources, and to develop the market and the economy in a healthy way.

Countries in the world, either Western developed countries or new industrialized countries, that have done well in developing a market economy, have attached great importance to exercising state macroeconomic regulation and control on the basis of the role played by market mechanisms. Because of their different conditions and different stages of economic development, countries with a market economy follow different patterns. A cursory examination shows such patterns are: The American and British pattern of relatively free market economy in which the government seldom intervenes in economic activities; the German pattern of social market economy [she hui shi chang jing ji 4357 2585 1579 1034 4842 3444] in which the government maintains the environment of market competition by using various means; and the Japanese and Korean pattern of government-guided market economy in which the government intervenes rather strongly in economic activities by implementing general development strategies and plans, and industrial policies. Although the scope, form, and degree of their intervention in economic activities vary, these countries have one thing in common in this regard—they all exercise state macroeconomic regulation and control. History over the past five decades proves that the modern market economy is no longer the completely free, laissez-faire market economy of the past but a market economy under macro regulation and control. Macro regulation and control of the economy by the state, like market forces serving as the basic means of regulating the allocation of resources, is an indispensable component of the market economy. As far as developing countries are concerned, they are short of funds and technologically backward, and are under the strong pressure of international competition. In such circumstances, to make full use of their favorable conditions as a late comer and accelerate their economic development, it is all the more necessary for these countries to strengthen and improve their macroeconomic regulation and control.

Ours is a developing socialist country. Our basic national conditions determine that the state place greater emphasis on macroeconomic regulation and control in building a socialist market economy. Although our country has a weak economic base and limited funds, it can bring in foreign capital and advanced technology, as well as draw

upon useful experience related to development, in the wake of opening up to the outside world. The state can devise and implement correct development strategies, steps, and measures in accordance with objective laws, without having to subject all of them to selection by market forces. This will enable us to obtain significant results with relatively little money within a fairly short period of time. Currently, our country's industrial structure is irrational, and development is uneven in different regions. The country faces rather onerous tasks in developing basic industries and infrastructure, including agriculture, transportation, communications, energy, and essential raw and semifinished materials. Many contradictions need to be resolved in the interest of coordinated economic development between eastern and west-central regions and between the cities and the countryside. Specifically, we should channel and collect funds that we need from society and use them to launch major projects that are vital to overall national economic interests. All this requires that the state make correct policy decisions on general and long-term development. In striving to attain the goal of common prosperity while maintaining the dominant role of public ownership and the principle of remuneration according to work output, the state needs to promote both efficiency and fairness through various means by combining the people's immediate and long-term interests, as well as local and general interests. The state also needs to strengthen coordination and guidance in foreign economic activity if we want to open up wider to the outside world, join the rest of the world, remain invincible amid keen international competition, and make better use of foreign capital, resources, technology, and markets in accelerating the modernization drive at home. These facts show that the development of a market economy under the state's macroeconomic regulation and control reflects the universal law of a modern market economy, as well as the special requirements for our country's economic development.

A misconception holds that we may weaken or even dismantle macroeconomic regulation and control in the course of developing a market economy, that reform amounts to invigorating microeconomic activities, and that to emphasize macroeconomic regulation and control is not to reform; this is erroneous. In fostering a socialist market economy, we should institute supplementary reforms in all areas. These include changing operating mechanisms in enterprises with the aim of transforming the latter into major competitors in the market that operate independently and assume responsibility for their own profits and losses. We should also develop markets in order to create a competitive, open, and unified market system. We should also institute a scientific and effective system and means for macroeconomic regulation and control. Reforms in these areas closely relate to and promote one another. We cannot stress one area to the neglect of others or even stress one area by negating the others. We should not think that reform merely consists in granting enterprises more powers and allowing them to retain more profits, and that any attempt at tightening macroeconomic regulation and control is not reform. Here

we should note that by exercising macroeconomic regulation and control, the state does not neglect or reject the role played by market forces; rather, it exercises such regulation and control through market mechanisms. In tightening and improving macroeconomic regulation and control, we cannot carry on the ideas and practices that we adopted under the conventional planned system. Instead, we must keep reform in mind and introduce ways and means for macroeconomic regulation and control that are suitable for the socialist market economy.

To Strengthen and Improve Macroeconomic Regulation and Control Is an Urgent Task That Has a Bearing on the Overall Situation of Development and Reform

We must give priority to strengthening and improving macroeconomic regulation and control and to establishing a scientific macroeconomic regulation and control system in the entire process of establishing a socialist market economy. It is all the more necessary and important for us to successfully carry out reform and construction in this respect in a down-to-earth manner under the current new situation of accelerating reform, opening up, and economic development.

Strengthening and improving macroeconomic regulation and control is a necessity in solving the conspicuous problems that have cropped up amid rapid economic development at present. Guided and encouraged by the guidelines of Comrade Deng Xiaoping's important speech and by the guidelines of the 14th party congress, the vast numbers of cadres and the masses have emancipated their minds and seized the opportunity, and their enthusiasm for accelerating development has run high since early this year. Our national economy continues to maintain the momentum of vigorous development after it enjoyed rapid growth last year. Production, construction, circulation, and economic and technological exchanges with foreign countries have developed in an all-around way; the GNP in the first half of this year posted a growth rate of 13.9 percent over that in the same period of last year; urban and rural markets have prospered; the people's living standards have continuously improved; and various social undertakings have enjoyed further development. The situation as a whole is good. However, some new contradictions and problems have also cropped up in the course of rapid national economic development. They are mainly an overly rapid growth of investment in fixed assets due to an investment structure which is not rational enough; a relatively grim financial situation due to a financial order which is in chaos, lax financial discipline, and excessive growth of money supply; and a relatively sharp increase in the prices of some important means of production as a result of strengthened "bottleneck" restrictions imposed by such basic industry and infrastructure projects as the sectors of communications and transportation, energy, and major raw and semifinished materials due to increasingly rapid industrial growth. The inflation pressure created by these problems grows bigger and bigger. If we do not strengthen and improve macroeconomic regulation and control in a down-to-earth manner, the problems that have

cropped up will deteriorate and the bowstring of macroeconomic environment will be stretched even tauter. They would affect the normal development of the national economy and might even cause drastic economic fluctuation. The experiences of economic development at home and abroad show that, while fully tapping the potential of our production capabilities and resources to strive for a sustained rapid national economic growth, we must prevent the occurrence of serious inflation. Rapid economic growth should be limited to not touching off serious inflation. The occurrence of serious inflation will cause drastic economic fluctuation and result in big losses. It is precisely for the purpose of properly handling the relationship between promoting economic development and reining in inflation that we must strengthen and improve macroeconomic regulation and control.

Strengthening and improving macroeconomic regulation and control is also a necessity for us to deepen reform, expand opening up, and accelerate the establishment of a socialist market economy. Though there are many reasons that lead to the appearance of current economic contradictions and problems, the fundamental one is that defects of the former system have not been eliminated; that investments are blindly increased; that localities and enterprises vie with each other for growth; that the problem of a lack of effective restrictive mechanisms, risk mechanisms, and so forth has not been solved once and for all; and that a scientific, effective macroeconomic regulation and control system and a standardized order for the market economy have not yet been established. Generally speaking, China has made very big progress in economic restructuring. However, reform with respect to macroeconomic regulation and control relatively lags behind reforms in other areas when compared with them. Bringing about a change in the situation as soon as possible, strengthening and improving macroeconomic regulation and control, and expediting the establishment of a new macroeconomic regulation and control system are conducive to timely solving the problems that have cropped up during economic development and, furthermore, may make it become a turning point and a motive force for us to accelerate the transition from a planned economy to a socialist market economy. Besides, solving the present conspicuous economic problems by strengthening and improving macroeconomic regulation and control will create a better macroeconomic environment as well as a better social environment for us to deepen reforms of enterprises, prices, and the distribution system; improve the establishment of a market system; and promote the entire reform in a better way. Strengthening and improving macroeconomic regulation and control is also conducive to consolidating and developing the new setup and new situation of opening up to the outside world which has already been ushered in, promoting sound development of foreign trade, and providing a favorable investment environment for foreign investors. Without a stable economic and social environment, we would find it hard to deepen reform and would encounter many difficulties when we further expand our opening up.

To strengthen macroeconomic regulation and control also meets the demand of governing economic behavior and correcting unhealthy tendencies in society. While our country is in a transition from the old to new structure at present, the market has not yet been adequately developed, the pricing system is not yet rational, the system of macroeconomic regulation and control and the legal system are not yet sound, many old rules and regulations are no longer applicable nor effective, and new practices to suit the new circumstances have yet to be established. Many loopholes occur in our economic life, and economic disorder and slackened economic discipline exist in certain fields; and these are the soil and conditions for breeding corruption. Some major cases have recently been exposed in the banking and other fields, and they illustrate the problem very well. We should strengthen and improve macroeconomic regulation and control, step up the formulation of relevant laws, rules and regulations, strictly enforce law and discipline, seriously investigate and handle major cases, plug the loopholes of embezzlement, bribe-taking, abuse of power to extort money, trading power for money, and other law and discipline violations, and eliminate corruption. These actions can help establish closer relations between the party and government and the people, help create good standards of social conduct which are conducive to accelerating reform, opening up, and modernization, and help promote social progress in an all-round way.

In short, the present effort to strengthen and improve macroeconomic regulation and control is an important measure to implement actively, comprehensively and accurately Comrade Deng Xiaoping's important talk and the guidelines of the 14th national party congress. It is a correct policy decision of seizing, treasuring and taking advantage of current opportunity to accelerate reform, opening up, and modernization.

The Present Effort To Strengthen and Improve Macroeconomic Regulation and Control Should Be for the Purpose of Optimizing Structure and Deepening Reforms

To ensure a steady, rapid and sound economic development in view of existing acute economic contradictions and problems, the party Central Committee and the State Council have been taking measures to strengthen and improve macroeconomic regulation and control. To implement the measures, attention should be paid to the following several points:

1. We should strive to maintain a basic balance between total social supply and total social demand, as well as a roughly coordinated structure, and to avoid serious inflation. This is the major task at present with respect to strengthening and improving macroeconomic regulation and control. It is necessary to bring excessively rapid growth of social demand, particularly investment demand, under control. Since our present construction is spread over too many projects and the investment pattern is irrational, we should screen the projects under construction, prioritize their order, and strictly control new projects. At the same time, we should pay attention to preventing excessive increase of

consumption demand, and should particularly exercise strict control of institutional purchases to prevent excessive increases. In strengthening macroeconomic regulation and control, the stress of our present work is readjusting and optimizing structure, not a comprehensive retrenchment. With the precondition of keeping excessively rapid increase of total social demand under control, we should readjust the fund allocation in accordance with the nation's industrial policy and the requirements of structural optimization, so as to ensure the availability of funds for industrial and agricultural production and for the construction of infrastructure, basic industries, and other key projects. In controlling excessively rapid growth of total social demand, optimizing structure, and preventing serious inflation, the key to success lies in exercising an effective control of money supply and credit and in making a rational readjustment of the credit structure.

2. Vigorously promote reform of the financial, investment, and business accounting and taxation systems. No matter whether we are solving the present economic problems or establishing a new macroeconomic regulation and control system, accelerating reform of the financial, investment, and business accounting and taxation systems is of great importance. As the market economy develops, finance will play an increasingly important role in macroeconomic regulation and control. We must consolidate the financial order, strictly enforce financial discipline, and bring about a change in the situation of financial chaos by deepening reform. We must resolutely screen and rectify all bank loans obtained in violation of rules and regulations; set a deadline for the recovery of such loans; and prohibit all banking institutions from increasing their interest rates for deposits and loans in a disguised form, and taking rebates from borrowers. The banks must completely terminate the linkage between themselves and various economic entities that they have established. Deepening reform of the financial system is oriented to gradually establishing a central bank system that independently implements a unified monetary policy under the leadership of the State Council, a banking organization consisting mainly of national policy banks and state-owned commercial banks under the leadership of the central bank with various banking institutions existing at the same time, and a centralized, highly efficient, and orderly financial market system. Reform of the investment system must be integrated with reform of the financial system to establish an investment financing system that is conducive to bringing the overall scale of investment in fixed assets in the whole society under control, optimizing investment structure, and increasing investment returns, and to improve a self-restrictive mechanism for principal investors that integrates their obligations with their rights as well as the system of taking responsibility for risks. We must accelerate reform of the business accounting and taxation system and strengthen the role played by the means of business accounting and taxation in macroeconomic regulation and control.

3. Pay attention to indirect regulation and control and mainly employ the economic and legal means during macroeconomic regulation and control. Very great changes have

taken place in China's economic setup, interests distribution pattern, and economic system and operating mechanisms and the market mechanism is playing an increasingly big role in many fields of endeavor after more than a decade of reform and opening up. Under the circumstances, it is hard for us to get the desired result if we continue to use the past methods adopted under the planned economy that rely mainly on administrative means to exercise control. We must embrace new ideas and adopt new methods. We must employ more economic means, economic policies, and economic legislation. Only thus can we effectively solve the current economic problems and help to continue to enhance microeconomic vitality and bring into full play the role of market mechanism. Meanwhile, we must also take necessary administrative means to solve the problem of economic chaos caused mainly by administrative behavior. In particular, during the present period of transition from the old system to the new, when economic operating mechanisms are still imperfect, necessary administrative means are all the more indispensable. Besides, without the support of necessary administrative means, it would be hard for us to get the desired results that ought to be produced from the implementation of some economic methods. We must make efforts to learn how to employ the economic, legal, and necessary administrative means in an integrated and coordinated way, regulate and control economic operation, and promote sound national economic development.

4. We should improve our understanding, coordinate our actions, and maintain the unity and authority of central macroeconomic regulation and control. The recent policy decision made by the party Central Committee and the State Council on tightening macroeconomic regulation and control was based on new experience gained over the past year or so in accelerating reform, opening up, and modernization. It was made by conducting in-depth investigations and studies in various fields and by fully analyzing and correctly assessing the economic situation. It is realistic, essential, and correct. Seriously implementing the measures on tightening macroeconomic regulation and control is vital to the general interests of reform, opening up, and modernization. We should display a profound sense of responsibility and urgency. Because implementation of the measures on macroeconomic regulation and control affects various interests, all departments and localities should cooperate closely and fully. We should divide our work, assume responsibility for our assignments, and implement each of the objectives, tasks, and measures instituted by the central authorities regarding macroeconomic regulation and control. All departments, localities, and units should seriously implement those objectives, tasks, and measures clearly defined by the central authorities; they should not act cursorily on the grounds that the circumstances are special. We should correctly understand and handle local and general interests, as well as immediate and long-term interests. We should also correctly understand the relationship between decontrolling and stimulating microeconomic activities on the one hand and exercising sound macroeconomic control on the other. We should take practical actions to conscientiously follow and

maintain the unity, authority, and effectiveness of central macroeconomic regulation and control, working to ensure that all policies and decrees are implemented smoothly and all orders and prohibitions are enforced strictly. Only by so doing can we ensure that the national economy will be full of energy as it develops continually, swiftly, and soundly.

State Planning Commission Stresses Macro Control

OW1310114893 Beijing XINHUA Domestic Service in Chinese 0138 GMT 18 Sep 93

[By reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 18 Sep (XINHUA)—The State Planning Commission recently held a meeting to check on the work of screening investment projects in fixed assets in various localities and to discuss plans for further strengthening macroeconomic control over investment in fixed assets in order to ensure the smooth construction of key projects.

Attending the meeting were those in charge of investment from various provinces, autonomous regions, municipalities directly under the central government, and cities with provincial-level economic decision-making authorities. At the meeting, participants briefed one another on the examination and approval of construction projects in various localities and decided on a number of projects to be continued and others to be stopped or postponed. Most of those projects which are to be continued are key construction projects in transportation and energy.

According to opinions voiced by participants during discussions, a comrade of the State Planning Commission in charge of work in this regard set the following requirements for further implementing the guidelines of the party Central Committee and the State Council on strengthening macroeconomic regulation and control and for ensuring a sustained, steady, and rapid development of the national economy:

1. In view of the current situation in which investment projects are examined and approved by a number of units and funds are provided through various channels, provincial governors, municipal mayors, and autonomous regions' chairmen should take the responsibility for setting up an administrative office, with the participation of representatives from comprehensive departments, to take charge of prioritizing projects and managing funds.
2. It is necessary to arrange all projects under construction in order of priority. Now efforts should be made to first screen projects with an investment of more than 10 million yuan each, and this should be done by those units that examined and approved such projects. Provincial, regional, and municipal planning commissions should put those data together and comment on the prioritizing of construction projects. In prioritizing screened projects, attention should be paid to two points: First, the order of priority for key projects should be arranged according to the order of priority for the supply of funds for them so that priority will be given to those projects in really urgent need. Second, a list should be made of those projects which

are to be postponed or to be stopped or suspended. Initial results should be achieved in all such work before 30 September.

3. Provincial governors, municipal mayors, autonomous regions' chairmen should organize planning, financial, and banking departments, through concerted efforts, to concentrate funds on the construction of key projects and to exercise control in this regard from month to month. Planning commissions should come up with a list of projects that must be built and with plans for the supply of funds for such projects, and banks and financial departments should appropriate funds for them on time.

4. Newly started projects should be strictly controlled. Efforts should be made to screen the projects started this year. We must be determined to postpone or stop projects that were not examined and approved in accordance with the state industrial policy and that are short of funds. In principle, we should not approve any more new projects in the next four months. As for individual projects which conforms to state regulations and which must be started, the auditing procedures must be strictly implemented with regard to those projects before the start of their construction. Those projects should be strictly controlled according to regulations of the party Central Committee and the State Council.

5. Attention should be paid to development areas and real estate in this screening work, and the management of development areas and real estate should be strengthened. All regions and departments should carry out to the letter the "Circular on Strict Examination and Approval of Development Areas and Screening of Such Areas" issued by the state Council. It is necessary to strictly implement a plan for credit provided for commercial housing that was examined and approved by the State Planning Commission and the People's Bank [of China]. Real estate should now developed in coordination with the reform of the housing system and housing projects for urban residents.

6. Efforts should be made to quickly institute a system of project registration and a system of investment information. All projects under construction, no matter which units examined and approved them, should be reported to planning departments at corresponding levels for the record. The State Planning Commission should step up its efforts to collect, analyze, and distribute information on investment in order to guide funds in society into the construction of projects in urgent need.

XINHUA 'Roundup' Views Economic Development

OW1310130493 Beijing XINHUA in English 1237
GMT 13 Oct 93

["Roundup" by XINHUA Correspondents Yao Datian and Zhou Zongmin: "China Maintains Good Economic Development"]

[Text] Beijing, October 13 (XINHUA)—Since China tightened macro-economic controls earlier this year, some analysts have worried whether a sharp slow-down would appear in the economy similar to the recession of 1988.

An analysis by the state indicates that since the Chinese Government started strengthening macro-economic controls in June this year, irregular economic activities have been curbed. The measures have produced initial results, and China's economy this year is expected to continue to grow at a quick pace.

According to the State Statistics Bureau, the national economy maintained a growth rate of more than 13 percent in the first nine months of this year. The yearly growth rate is expected to maintain the pace of last year, when the economy grew by 13.2 percent.

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee and Chinese president, once said that it is China's steadfast policy to grasp the opportunity, step up development and concentrate all efforts to promote economic development.

The macro-economic control measures China has so far taken do not mean an overall economic retrenchment, but a structural re-adjustment that is designed to bring the economic work into a legal and normal orbit.

Newly-released statistics show that the industrial growth rate in June hit a record high of 30.2 percent. During the first nine months of 1993, China's industry grew by 24.1 percent. It is expected that the industrial growth rate in the whole year will surpass 20 percent.

Investment in fixed assets in the first nine months of this year increased by 60 percent. Urban and rural markets are flourishing. The total volume of retail sales went up by 22.4 percent. Incomes for urban and town residents increased by 12 percent after accounting for inflation. Farmers' income increased by some 10 percent. Year by year, even day by day, living standards are rising due to economic policies developed by the government.

The total volume of imports and exports grew by 17.7 percent, which included an increase of some 30 percent in imports and 6.6 percent in exports.

Qiu Xiaohua, chief economist at the State Statistics Bureau, said that in the first nine months of this year, different economic indexes showed a high growth rate. In general, China's economy is expected to cool down to a certain degree this year, but no sharp drop is expected.

However, the economist pointed out that there still exist some problems in the national economy. Some remain from the period before macro-economic controls were adopted.

So, China's national economic development is now at a crucial crossroads. If the macro-control measures are used properly, a 'soft landing' can be engineered, and the economy can be piloted into an orbit of regular development. But, for development to be maintained, a growth rate of eight to nine percent should be the target, the economist said.

Qiu said that the most correct choice is to strengthen the foundational results achieved through the macro-controls,

and combine those achievements with "micro-regulations", in order to develop the economy in a sustained, fast and healthy way.

Daily Carries 'Roundup' on Economic Legislation

HK1310052093 Beijing RENMIN RIBAO in Chinese
4 Oct 93 p 1

[By staff reporter Su Ning (5685 1337): "Market Economy Calls for Legal System—Roundup of China's Economic Legislation in the Past Year"]

[Text] "In a certain sense, the market economy is an economy governed by law." This statement is no longer unfamiliar to people since the 14th CPC National Congress which expressly put forward the idea of building a socialist market economy. This is true indeed, for it is impossible for the market economy to operate normally and develop in a wholesome way if there is no sound and complete legal system to effectively regulate entities and individuals, playing a part in the market economy and also their behavior. Therefore, the market economy calls for the development of a legal system.

According to statistics, from April last year, when Comrade Deng Xiaoping made some remarks during his trip to the south, until September this year, our country's highest legislative bodies—the National People's Congress [NPC] and its Standing Committee—have adopted a total of 30 laws and relevant resolutions, with a constitutional amendment mainly to suit the needs of the socialist market economy. Of these laws, 11 are directly and closely related to the market economy. Among them are the "PRC Law on Control of Levying Taxes," a procedural law governing the centralized levying of taxes; the "PRC Law on Product Quality," providing comprehensive standardization of product quality; the "PRC Law Against Inappropriate Competition," regulating the behavior of acting entities and individuals and to ensure fair competition in the market; and the "PRC Maritime Law" and "PRC Agriculture Law," which are the first of their kind ever formulated and promulgated since the founding of the PRC, plugging a gap in the legal system; as well as "Trade Mark Law," the "Patent Law," and the "Law on Economic Contracts," which have been revised and polished to meet the needs of the developing reform and opening up process. Besides, we have also introduced some supplementary rules and regulations and decisions on punishment against evasion of taxes, refusal to pay taxes, the practice of usurping others' registered trade marks, manufacturing and selling fake and inferior goods, and other offenses against laws, which serve to supplement articles concerned in the "Criminal Law," with the aim of safeguarding order in the market economy and intensifying the struggle against illegal practices.

In the process of the establishment, development, and perfection of the socialist market economy, all economic activities in the community should and must be based on the provisions of laws. Every economic entity (including enterprises, individuals, and government organs) is protected, and also regulated, by law. Without the guarantee of a unified and sound legal system with a certain degree of

coerciveness, economic activities will inevitably be thrown into a chaotic, disorderly state. This reporter has learned from the Levy Control Section of the State Administration of Taxation that the operation of taxation control has been hindered to a certain extent in the past because of the lack of unified and standardized boundaries of applicability of the laws and regulations related to taxation control, poor taxation control, and the lack of the means to deal with tax evasion. Cases of tax evasion, short payment of taxes, and the refusal to pay taxes alone involve a total amount of 8 billion yuan a year. More than 3,000 cases of refusal to pay taxes occur each year and the phenomena of power overruling laws, and abuses of power for the reduction or exemption of taxes, happen from time to time. In order to do away with these practices, the 27th Meeting of the Seventh NPC Standing Committee ratified the "PRC Law on Control of Levying Taxes" on 4 September last year, and enacted it as from 1 January this year. This law has: Unified the system governing levying domestic taxes and taxes to be paid by foreign parties; empowered departments in charge of taxation to take measures to secure tax payments, adopt coercive measures for collecting taxes, and to carry out tax inspections; helped improve the system regulating the operation of taxation organs in law enforcement and which protects the tax payer's legitimate rights and interests; and it has improved the penalty system against violation of laws related to taxation. Hence, the country's administration of levying taxes has now been brought fully onto the track of systemization and legalization.

To cope with prominent, long-standing problems in the process of economic development in this country, such as poor product quality, low economic returns, high material consumption, and the boom in imitation goods of inferior quality, and to stop the increasing trend in complaints by consumers about inferior product quality, the 30th meeting of the Seventh NPC Standing Committee ratified the "PRC Law on Product Quality" on 22 February this year, putting it into force on 1 September. This law has expressly provided, in legal terms, the procedures for product quality monitoring and control and has defined the relevant responsibility. This is of important significance to the establishment of the competition mechanism in terms of product quality, to the promotion of wholesome development of the socialist market economy, and to the enhancement of the competitive power of products on the market. To protect the consumers' legitimate rights and interests to the largest extent, this law has comprehensively defined, in the three aspects of administration, civil law, and criminal law, the legal responsibility for violation of laws concerning product quality, thus providing a powerful legal weapon to curb the manufacture and marketing of imitation goods of inferior quality.

The "Trade Mark Law" and the "Patent Law," as two important component parts of China's legal protection system for intellectual property rights, were enacted 10 and seven years ago respectively and then revised by the Seventh NPC Standing Committee in February this year and September last year. Both the revised "Trade Mark Law" and "Patent Law" have incorporated a meticulous

summation of the successful experience in the implementation of these laws over previous years. They suit the needs of the developing market economy, as well as the needs of foreign trade and international cooperation and exchange, and fully display their common characteristics in their expanded scope of protection, simplified application procedures, better protection of the legitimate rights and interests of parties concerned, and their tendency to reach international advanced standards. The new "Trade Mark Law" for instance, has incorporated protection for the service trade mark, collective trade mark, and identifying trade mark, apart from the commodity trade mark was already covered before; and the new "Patent Law" has also been expanded to provide for granting patents for medicines, substances obtained by chemical means, food, beverages, and flavorings.

In July this year, the newly elected Eighth NPC Standing Committee adopted an "Outline of the Work of the Standing Committee" during its second meeting. The outline listed economic legislation as the first task to be undertaken and incorporated the decision that the framework of the legal system for the socialist market economy will be basically shaped within the current standing committee's office. It can be expected that the spring for economic legislation is arriving, along with the gradual establishment and perfection of the socialist market economy in our country.

Article Examines Development of Reform, Opening Up

HK1110102593 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Sep 93 p 1

[Article by staff reporter Liu Luyan (0491 7627 3601): "China Enters a New Stage in Its Opening Up to the Outside World"]

[Text] It is over 14 years now since China opened up to the outside world. These 14 years of opening up have made China a hot spot of the world economy and promoted China's further development.

To Become One of the 10 Biggest Traders

Over many years of development, China's foreign trade has become an important component of the national economy and the degree of its dependence on foreign trade is approaching 20 percent. Last year's total volume of imports and exports reached \$165.6 billion, eight times as much as that in 1978. China's trading status has leaped from 32d place to 11th in the world. Export products have risen to 79.9 percent. [sentence as published] Many products that needed to be imported in the past have now become major export products.

The fact that all these achievements have been scored is bound up with the gradual deepening of reform and opening up: For instance, delegating the power to manage foreign trade; canceling national purchasing plans and allocation plans; improving export quota control; integrating technology, industry, and trade; pursuing the foreign-trade contract management responsibility system;

and having foreign trade assume sole responsibility for profits and losses. Since the beginning of this year, we have strengthened the reform of the export system and have been coming closer to the norms of international trade. A total of 138 kinds of commodities are under the control of quota licensing, 52 percent less than in the past. We have also reformed the export management system considerably. Excepting 16 kinds of particularly important export commodities, we have lifted restrictions on the trading of all others. As for the reform of the import system, over the past year or so we have canceled the import regulatory tax, lowered import tariffs on two occasions, and lowered the general level of tariffs by 7.3 percent. We have canceled the list of all import substitutes, and commodities under licensing control have decreased since last year to a mere 53 kinds. China is forming a system of macro import control which mainly uses economic levers, including tariffs, and which uses administrative means as a supplement.

The gradual deepening of the foreign trade system has vigorously promoted the development of foreign trade. In the first half of this year, the total volume of imports and exports had already reached \$77.84 billion, an increase of 13.4 percent over the same period last year. To date China has established economic and trading relations with over 220 countries and regions around the world.

Quickening the Pace of Utilizing Foreign Capital

Utilization of foreign direct investment is an important part of reform and opening up. Following the continuous improvement of the investment environment, China has become a comparatively ideal region for foreign investment and foreign corporations have become an indispensable component of China's multisector economy. The industrial output value of foreign corporations already accounts for 6 percent of China's total industrial output value, and their imports and exports already exceed 25 percent of China's total volume of imports and exports. As of the end of this June, China had already approved the establishment of over 13,440 foreign corporations with an agreed foreign capital of \$169.216 billion, and the actual capital invested by foreign businesses was \$43.75 billion. Since last year in particular foreign investment has been fervid. The number of foreign-funded projects and the agreed foreign capital exceeded the totals for the previous 13 years. In the first half of this year, foreign investment saw yet another considerable increase on the basis of last year's speedy increase: A total of 43,632 foreign projects were approved, foreign capital of \$58.756 billion agreed, and actual foreign investments reached 9.396 billion yuan, representing increases of 234 percent, 300 percent, and 179.8 percent respectively over the same period last year.

In recent years, foreign investment has come from an increasingly wide range of sources, covering over 100 countries and regions. Foreign investments have extended from coastal areas toward the hinterland. Last year, the proportion of foreign capital absorbed by the hinterland increased from 7.8 percent to nearly 20 percent of China's total. Many world-renowned multinationals consider

China an important region in their overseas investment strategies. They have not only set up enterprises in China but are also vigorously looking for new investment opportunities. Many large corporations have drawn up long-term investment plans. What follows will be the further optimization of the investment structure and a rapid increase in capital- and technology-intensive Sino-foreign joint ventures. In addition, China has utilized direct foreign investment to establish a number of fair-sized infrastructural and raw materials projects, including communications and energy projects. These projects have not only improved the expertise of basic industries but also created a better environment for foreign investment.

The areas and forms of foreign investment have also developed. Foreign businesses have already spread to tertiary industries including banking, real estate, insurance, the retail trade, foreign trade, and information counseling.

China is committed to improving the investment environment and is creating conditions for foreign businesses so that they can engage in production and operations in keeping with international practice. At present, it is further strengthening legislation for foreign economic and trade matters and maintaining the uniformity and transparency of economic and trade laws and regulations across the country.

Making Considerable Progress in Technology Import and Export

China has been vigorously importing advanced technology from other countries, thus promoting the development of science and technology. From 1979 to 1992, a total of 4,951 contracts on technology import were signed, with a total contracted amount of \$34.67 billion, five times and two times larger than the totals for the previous three decades respectively. In the first half of this year, 185 technology export contracts were examined and approved, more than the same period in the previous year. What is heartening is that in recent years, China has begun to arrange for the export of self-developed technology. In the first half of this year, 35 technology export contracts were examined and approved with a contracted amount of \$1.339 billion, an increase of 71 percent over the same period last year. The technologies were exported to some developed countries and regions, displaying China's strength in technology export for the first time.

Further Developing Foreign Contracting and Overseas Investment

Overseas contracting and overseas investment are new undertakings China has initiated since reform and opening up. At present, China's overseas contracting projects and labor service cooperation cover some 160 countries and regions around the world, thus forming an embryonic multidirectional and multi-industrial pattern. As of the end of last year, over 33,600 labor service cooperation contracts of various kinds had been signed, with the contracted amount totaling \$25.6 billion and a work force of over 600,000 having been sent. The trend continued to

develop in the first half of this year, with 6,341 new contracts on labor service cooperation signed, involving a total contracted amount of \$2.84 billion. In order to promote its development, in the first half of this year, 74 enterprises were given the power to undertake overseas labor services, bringing the total number of such enterprises to 285.

China is enjoying sustained economic growth, its investment environment is gradually improving, and its market has huge potential, so it is drawing increasingly great worldwide attention. If we seize this opportunity, we will be able to usher in a new stage of our reform and opening up.

Official Customs Statistics Released

Main Trading Partners Listed

OW1210121193 Beijing XINHUA in English 1152 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—Official statistics issued here today show that China's trade with Japan in the first nine months of this year hit a record high of 25 billion U.S. dollars, making Japan China's largest trade partner.

Hong Kong, which was the Chinese mainland's biggest trade partner for a long period of time, was now edged to the second position. The mainland's trade volume with Hong Kong in the period was 22.4 billion U.S. dollars, 4.42 billion U.S. dollars more than that with the United States, which is the third largest trading partner of China.

Since the beginning of the year, China has imported 15.1 billion U.S. dollars worth of goods from Japan, and exported 9.99 billion U.S. dollars in commodities.

According to customs statistics, China's foreign trade volume in the first three quarters of this year reached 129.47 billion U.S. dollars, a rise of 17.7 percent over the same period last year.

The Chinese mainland also saw a rise in trade with Taiwan in the first nine months of the year. The figure was 9.42 billion U.S. dollars, bringing the island to the fourth place among the mainland's major trade partners.

On the country's list of its major trading partners, Germany, Russia and the Republic of Korea were ranked fifth, sixth and seventh, followed by Singapore, Italy and Britain.

Volume Reaches 'Record High'

OW1210133493 Beijing XINHUA in English 1258 GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—China's trade volume in the first nine months of this year hit a record high of 129.47 billion U.S. dollars and marked a trade deficit of 6.97 billion U.S. dollars.

According to customs statistics issued today, China's trade in the first three quarters of this year was 17.7 percent

higher than the figure of the same period of the previous year. The growth rate in imports was 23.3 percentage points higher than that of exports.

In September, the country's trade volume was 18.927 billion U.S. dollars, of which imports accounted for 10.087 billion U.S. dollars and exports 8.84 billion U.S. dollars.

Since the beginning of this year, China has imported 68.22 billion U.S. dollars worth of goods and exported 61.25 billion U.S. dollars in commodities.

According to the statistics, China witnessed a fall in exports of primary products, but a rise in industrial finished products.

The export of crude oil, finished oil and raw cotton fell by over ten percent, while the export of raw silk was halved.

At the same time, the growth rate in export of television sets, watches, electric fans, telephones, cameras and vehicles was above 20 percent.

The export of garments, shoes and toys also rose by a large margin.

The statistics also show a sharp rise in imports of machinery and electric products, steel, oil and petroleum products, but a marked fall in raw materials like chemical fertilizers, pesticides and logs.

China's import of machinery and electric products increased by 50 percent in the first three quarters of this year.

The country imported 207,000 vehicles in the period, a rise of 110 percent; 71 airplanes, an increase of 115 percent; and over 20 million tons of steel, 420 percent more than the previous figure.

According to the statistics, imports rose in all Chinese provinces, cities and autonomous regions except Tibet, while exports grew in 17 provinces, including Guangdong, Fujian and Jiangsu. Exports fell in Shanghai and Liaoning, both large industrial centers.

Enterprises with foreign investment also saw a sharp rise in imports and exports. The proportion of exports of foreign-funded enterprises to the country's total has increased from 19.8 percent to the present 26.4 percent.

Gap Said Widening as Imports Increase

HK1310082093 Beijing CHINA DAILY in English
13 Oct 93 p 1

[Text] China's foreign trade maintained a double-digit growth rate in the first three quarters of this year, with imports still outweighing exports by a huge margin.

A Chinese Customs report released yesterday put the nation's foreign trade volume during the period at \$129.4 billion, up 17.7 per cent from the corresponding 1992 level.

In the breakdown, imports soared 29.9 per cent to \$68.22 billion, while exports climbed 6.6 percent to \$61.25 billion.

This allowed an increase in China's foreign trade deficit to \$6.97 billion, from \$5.73 billion for the first eight months this year.

But economists can have at least one thing to celebrate: A recovering export momentum.

The country's export growth rate picked up over that from January to August by 2.6 percentage points.

Chinese officials have promised to balance foreign trade by the end of this year as the central government's credit-tightening policy comes into full effect.

The import surge in the last nine months was generated mainly by the purchase of electromachinery products, iron, steel, oil and oil products.

But the import of fertilizer, pesticide, natural rubber, log, pulp and certain types of synthetic fibre for textile decreased.

The Customs report showed that the import of electromachinery products was up 51 per cent to \$32.3 billion, with automobiles, aircraft and processing machines taking the lion's share.

Steel imports rocketed to 20.7 million tons, valued at \$7.4 billion.

The import of crude oil rose 20.7 per cent to 6.9 million tons, while that of oil products jumped 95 per cent to 9.6 million tons.

Meanwhile, China's export of crude oil, oil products and other primary products like coal and raw silk as a whole dropped 3.1 per cent to \$11.4 billion.

But the export of manufactured industrial products increased 9.1 per cent to \$49.8 billion.

Major growth items were TV sets, wristwatches, wire telephones, cameras, automobiles and spare parts which all registered an increase of 20 per cent.

The report pointed out that 17 provinces, especially Guangdong, Fujian and Jiangsu, saw their exports rise considerably.

But Shanghai and Liaoning Province posted negative growth in export.

In another move, almost all the provinces, autonomous regions and cities reported substantial import growth in the last nine months.

The period also saw a remarkable growth of imports and exports by China's enterprises with overseas investment. Their trade volume totalled \$16.1 billion, up 42.2 per cent over the same period of the previous year.

This figure has accounted for 26.4 per cent of China's total foreign trade volume as compared to 19.8 per cent last year.

The report also said that Japan has become China's largest trading partner, with bilateral trade volume hitting \$25 billion from January to September.

Following Japan were Hong Kong the United State, Taiwan, Germany, Russia, the Republic of Korea, Singapore, Italy, and Britain.

'Opportunities, Challenges' of SEZ's Discussed

*HK1110152093 Beijing RENMIN RIBAO in Chinese
4 Oct 93 p 5*

["Academic Trends" column by Wu Shangmin (0702 1424 3046): "The Opportunities and Challenges Facing the Special Economic Zones During the Nineties, and Measures To Tackle Problems"]

[Text] The Seminar on Deng Xiaoping's Thinking on Building the Special Economic Zones [SEZ's], jointly organized by China Press and Culture Promotion Association and Hainan's TOUZI YU HEZUO [Investment and Cooperation] Magazine, and sponsored by the Chinese Academy of Social Sciences was held in Beijing a short time ago. Over 150 participants from among academics and practical workers penetratingly explored the profound meanings of Deng Xiaoping's thinking on building the SEZ's, and put forward the following views and proposals focusing on how the SEZ's should seize opportunities to scale new heights in the 1990's:

1. The SEZ's are faced with new challenges and opportunities. The participants maintained: Taken from the international situation, as the developing countries are successively practicing omnidirectional open policies and preferential investment policies, and are vying with one another to absorb direct international investment, they will exert an unfavorable impact on the SEZ's in tapping foreign capital resources. Taken from the domestic situation, since Comrade Deng Xiaoping's important remarks during his south China tour were published, an omnidirectional open pattern has taken shape throughout the country, under which the applicable areas of the preferential policies have been increasingly expanded, the tendency of "interior regions becoming SEZ's" has gathered momentum, and the advantage of the SEZ's policies gradually has faded away. The rise of salary level in the SEZ's has pushed up prices as a result of cost increases so that they have lost the competitive advantage of low labor costs. Hence, the low labor costs in the interior regions will attract enterprises engaging in three forms of import processing and compensation trade, as well as foreign-invested labor-intensive projects, to move there.

The participants pointed out: We not only should note the grim challenges, but seize the rare opportunities. First, compared with other regions, the Asia-Pacific region is relatively more stable politically and more energetic economically in the 1990's. This will affect and contribute to the rapid economic development in China, particularly in the SEZ's. Second, alongside the improvement of the SEZ's investment climate, direct overseas investment has increased repeatedly. According to an academic's analysis,

Japan is optimistic about the investment prospects in China in many aspects. The investment of Hong Kong, Macao, and Taiwan compatriots also continues to increase. Third, Hong Kong will return to the motherland by the late 1990's and the relations between Hong Kong and the SEZ's will be still closer, which will give impetus to a wider openness in the SEZ's.

2. The advantages and measures to tackle problems in the SEZ's under the new situation. The participants maintained: Since the beginning of the 1990's, the policy advantage in the SEZ's actually has weakened, but there are still three major advantages in the coastal SEZ's under the new situation. One is the geographical advantage. Shenzhen, Zhuhai, and Xiamen are close to Hong Kong, Macao, and Taiwan; and Hainan, also close to Hong Kong, faces Southeast Asia. The advantageous geographic positions and convenient communication facilities enable the SEZ's to converge with the international market through Hong Kong and Macao, and to radiate the entire country through Guangzhou and other cities domestically. The second is the head-start advantage. Take Shenzhen as an example. The development achievements in Shenzhen over the last 14 years have indicated that socialism can create higher speed and results than capitalism. The third is the structural advantage. In order to suit the requirements of advancing toward the international market, the SEZ's have taken the lead in molding a new socialist market economic structure, and have made valuable leading exploration in practice.

With their geographical, head-start, and structural advantages, the SEZ's will continue to serve in the 1990's as the "windows" of opening to the outside world to take the lead in converging with the international market, and as the country's experimental sites for reform to repeatedly provide new ideas for in-depth reform and take the lead in molding and perfecting a socialist market economy structure. They will continue to maintain close contacts with the interior regions and vigorous radiating forces to become a bridge linking China's socialist market economy with the international economy. To achieve these goals, the participants put forward the following proposals from different angles as measures for the construction of the SEZ's.

1. Further enlarge the extent of openness. In line with the guiding ideology of "relaxing rather than tightening control" determined by Comrade Deng Xiaoping, the SEZ's should practice a policy to open still wider to the outside world so as to create conditions for direct access to the international market. On the one hand, infrastructural construction should be intensified and the investment climate should be improved so as to open up a passage for marching directly toward the international market. On the other hand, realistic measures should be adopted to help enterprises explore and compete in the international market.

2. Take new and high technology as a dragon head to develop technologically advanced industries. Some academics are of the opinion that this is where the key for the

SEZ's to scale new heights lies. For this reason, they should use market mechanisms to cultivate enterprise groups engaging in production according to the economies of scale on the one hand, and work out plans to develop high science and technology aiming at advanced international scientific and technological projects on the other. They also should adopt special preferential policies to vigorously foster technological innovation. To this end, government direct investment should be changed to investment by enterprises at their own risk with encouragement, guidance, and support from the government. In addition, preferential measures also should be adopted to foster the development of the new hi-tech industry.

3. Lay equal stress on importing advanced technology and establishing internal economic ties. On one hand, the SEZ's should take advantage of their geographic position to attract more foreign capital and tap more investment sources. On the other hand, they should continue to do a good job in internal economic association so as to serve as media for introducing advanced technology from abroad and as examples for the other parts of the country, thereby accelerating the hinterland's economic development in many ways.

4. Enhance the building of the legal system in the SEZ's. Some academics pointed out: The SEZ's should assimilate useful foreign legislative experience in order to change the lagging situation in the legislation of SEZ's. At present, they should speed up the formulation of regulations in such areas as investment by foreign businessmen, anti-dumping law, foreign exchange control, investment outside the territory, and others in a bid to expedite the smooth linkage of the markets of the SEZ's with the international market. Moreover, these economic regulations involving foreign businesses will provide useful experience for the formulation and perfection of the economic law involving foreign businesses throughout the country.

5. Build spiritual civilization in the course of building material civilization and attach equal importance to both. According to the statistics and analysis made by the Group of Social Indices and Problems of the Institute of Sociology of the Chinese Academy of Social Sciences, among the 188 cities at the ectural level, the comprehensive development levels of the four cities—the Shenzhen, Zhuhai, Shantou, and Xiamen SEZ's—are in the front row, but their population quality levels are between 132d and 176th places, and their public order indices are between 156th and 184th places, which form a significant contrast with their levels in economic results and living standards—between 1st and 10th places—among the 188 cities. The SEZ's should amplify and perfect their regulating and controlling means for public security, intensify the building of their legal systems, carry out the comprehensive management of social security, and fulfill the task of building spiritual civilization down to every grass-roots unit so that the SEZ's really will become the "windows" that propagate China's national civilization and display its socialist superiority.

Shenzhen, Shanghai Firms in First 'Takeover Bid'

HK1010082593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Oct 93 p 1

[By Zheng Jie and Wei Ling: "First Takeover Battle Heats Up"]

[Text] A firm in South China has acquired an 18-per-cent stake in a Shanghai listed company, taking another step forward in what may be the country's first takeover bid since the domestic stock market was reinstated a few years ago.

However, it is highly possible that Shanghai Yanzhong Industrial Company will resort to the courts to foil the hostile takeover attempt of the Shenzhen-based Bao'an Enterprises Company, according to chairman-of-the-board of the target company.

Bao'an Shanghai, the Shanghai branch of the Shenzhen-listed company, made a public announcement last Wednesday saying that its stake in Yanzhong—among the first Chinese companies to issue shares—had grown from 2 per cent to 18 per cent.

Although Bao'an, with a diverse range of business interests ranging from trading to real estate, is seeking to expand its stake to a 30-percent State-set threshold after which Bao'an would have to make a general offer, local brokers say it is well on its way to taking over the office equipment and plastic products supplier.

If the takeover succeeds, it will set a precedent in the country.

However, Bao'an Shanghai has ruled out the possibility of taking over the company "for the time being."

"All we have done so far is enabled Bao'an to become, and secured its status as, the largest shareholder of Yanzhong," said He Bin, general manager of Bao'an Shanghai. "That is sure at least for the time being."

But he added that Bao'an is "strong enough" to make a general offer.

The targeted Yanzhong is to turn to the courts to protect its interests and the preparation for this is under way, according to Zhou Xinrong, Yanzhong's chairman-of-the-board.

At a press conference held this week in the presence of the company's legal advisers, Zhou said Yanzhong will lodge a complaint with the local and national securities regulatory committees, asking them to make an investigation into Bao'an's "fraudulent and hostile conduct."

Bao'an owned a 4.56-per-cent stake before September 30, just short of the 5-per-cent level at which a public announcement must be made.

"The practice has broken regulations and infringed the rights and interests of individual shareholders," Zhou said.

He also said Bao'an was working in concert with other investors to acquire Yanzhong.

According to Zhou, Yanzhong has hired a Hong Kong-based company to help it map out an anti-takeover plan.

When asked about the legality of Bao'an's move, He said the company has taken efforts to bring Bao'an's practice into line with the regulations.

Yanzhong's price surged to close at 21.98 yuan (\$3.86) on Wednesday, up some 40 percent from last Thursday.

According to He, becoming the largest shareholder of a Shanghai-based company is part of Bao'an's effort to intensify its presence in the fast growing local market.

He said if his company is successful in its takeover bid, it will work to enlarge and enrich the Shanghai company's business.

Yanzhong's unusual share structure, with 91-per-cent individually owned shares and a few corporate ones, makes it an easy target, local analysts said.

A Beijing University economist put a different spin on the takeover, saying it is a challenge to all listed companies because it will force them to improve management and increase profits to keep their share prices high. By doing this, they will make an acquisition or takeover a difficult thing, he said.

However, an official with the China Securities Regulatory Commission said it is wrong to make a fuss over the attempted takeover since a stock market is sure to encounter such things sooner or later.

According to the company's interim results, Yanzhong's after-tax sales was 4.05 million yuan (\$710,500) for the first half of the year. And the projected earnings for this year are 10 million (\$1.75 million).

New Column Opened for Enterprise Amalgamation Matters

*HK1110080093 Beijing RENMIN RIBAO in Chinese
20 Sep 93 p 2*

["My View on the Problem of Enterprise Amalgamation" column by Chen Liqing and Zhang Feilong of the Hangzhou City CPC Committee: "Enterprise Amalgamation in Hangzhou Arouses Opinions From Various Quarters"; first four paragraphs are RENMIN RIBAO editor's note]

[Text] The problem arising from the amalgamation of three enterprises by the Hangzhou City Engineering Bureau is not an individual and accidental phenomenon. In implementing the "regulations" over the past year, we have made gratifying progress in changing the government's functions and in changing enterprises' operational mechanisms. But some frictions and disputes have arisen, and it often happens that a government department and an enterprises stick to their own views. As far as Hangzhou's amalgamation case is concerned, the two arguing parties resorted to the "regulations," with one side saying that it had the right to decide the enterprise amalgamation, while

the other side said they must respect its opinion. It followed that nobody is absolutely right and the problem is still continuing today.

We should point out that the frictions and disputes were problems in the course of our advancing forward. If our enterprises still simply obeyed government departments as their appendages, there would not have been such phenomena. However, the problems are there already, and we should have a correct understanding of them because we need to continue to advance. For this reason, we have specifically opened the special column "My View on the Problem of Enterprise Amalgamation" and started discussing the question here.

To facilitate discussion, we have set a few questions for the reference of readers: First, how do we properly approach the relationship between ownership and management of enterprise assets? Second, how do we gain a correct understanding of the administrative and supervisory role and function of government departments in the process of establishing a socialist market economic system? Third, who is the main character in the current program of readjusting the industrial structure and enterprise organization and structure, the government department or the enterprise? Fourth, how shall government departments use new concepts and new methods to discharge their administrative and supervisory functions?

The purpose of opening this special column is to improve our understanding through discussion so as to promote progress in reform and economic work. Vast numbers of readers are welcome to participate in the discussion. Their contributions can be sent to the special column "My View on the Problem of Enterprise Amalgamation," Economic Department of Beijing RENMIN RIBAO, through the zip code 100733.

Editorial comrades:

As everyone across the country is conscientiously implementing the "regulations," vigorously changing the operational mechanisms of enterprises, and changing government functions, the reform of state-owned enterprises has entered a new phase. But in the meantime, in enterprise reform, and especially in the readjustment of the organization and structure of enterprises, it sometimes happens that various quarters conflict with one another. The recent amalgamation problem occurring in Hangzhou was a typical example.

In the process of studying to implement the "regulations," the Hangzhou City Engineering Bureau analyzed the production and operational status of over 40 enterprises under it and gave them different guidances and principles for development: First, create conditions for enterprises whose products have an edge over others and which possess staying power for development so that they can gradually develop into highly competitive Sino-foreign joint ventures or enterprise groups. Second, encourage mergers for those enterprises whose products do not have an edge and which make little profits or make losses. Third, guide in-between enterprises "which are neither

small or big and which are neither good or bad" to amalgamate with one another so that they can attain fair economic size. In view of such a guiding idea, the engineering bureau decided to amalgamate the Hangzhou Spring Factory, the Bureau Supply and Marketing Company, and the Hangzhou Screw Factory to an engineering, industrial, and trading company. And with the support of the leading groups of the three enterprises, they called a joint conference on this last 28 May to discuss the question of amalgamation. At the meeting, they decided to form a group of factory directors (managers) from the three enterprises to prepare the establishment of the new company, have the three enterprises negotiate the matter with one another, then put forward a specific proposal for the amalgamation, and then submit it to the bureau for further discussion.

After the joint conference, the general manager of the Bureau Supply and Marketing Company refused to sign the minutes of the conference on the plea that he had not been authorized by the representative assembly of staff and workers. On 1 June, before the amalgamation proposal was put forward, he called a general meeting of staff and workers and voted down the bureau's decision by a show of hands. Moreover, he invited several news units to cover the news and criticized the amalgamation decision as infringing on the self-operating rights of the enterprise. Several papers and magazines reported the incident, and the conflict between the bureau and the enterprise became people's hot topic for some time.

Did the engineering bureau, which supervises the three enterprises, have the right to order the amalgamation? This is the focal point of the matter.

Article 34 of the "regulations" clearly states: "The government can decide or approve enterprise amalgamations." "The amalgamation proposal is to be put forward by a government supervisory department or the enterprise. Under the chairmanship of the government supervisory department, all parties to the amalgamation fully discuss with one another and then enter into an amalgamation agreement." Why then were there views and reports blaming the government department for violating the "regulations" and infringing on the self-operating right of the enterprise? We believe that they have mainly confused the meaning of the behavior of amalgamation with that of enterprises' joint management or merger. The 14 self-operating rights of the enterprise as provided for by the "regulations" are mainly concentrated in management. The operational and cooperative relations between enterprises in their horizontal union are the self-operating behavior of the enterprises, while the enterprise merger is different because it involves the change of the assets of the enterprise to be merged. In view of this, the "regulations" provides that "the enterprise can decide merging with other enterprises on its own" and must "report the same to a government supervisory department for the record." But the behavior of amalgamation is totally different as it readjusts and optimizes the assets of enterprises, and therefore is mainly a governmental behavior and is a

means of macroscopic regulation and control by the government to achieve industrial guidance and optimize the allocation of resources. The government has the right to decide the amalgamation of enterprises.

These authors maintain that during the transition of planned economy toward socialist market economy, although the change of the functions of government departments is relatively sluggish, it does not mean there is the need to cancel the administrative and supervisory functions of government departments. If we simply blame government departments as the "inquisitive grandmother" for interfering in the self-operating rights of enterprises in cases such as the Hangzhou amalgamation, then how can we readjust the economic structure and strengthen macroeconomic regulation and control? And who can proceed with it?

Zou Jiahua Inspects Bohai Oil Field 26 Sep

*SK1210145793 Tianjin TIANJIN RIBAO in Chinese
27 Sep 93 p 1*

[Text] Zou Jiahua, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, and his party went to Bohai Oil Field to inspect work on the morning of 26 September in the company of Zhang Lichang, mayor of Tianjin Municipality, and Wang Yan, president of the China National Offshore Oil Corporation.

Vice Premier Zou and his party first toured the exhibition hall of the research institute of the Bohai Oil Field where achievements in the prospecting and development of the oil field were displayed. Li Bingquan, president of the Bohai Corporation, introduced in detail the oil field's geological conditions, oil reserves, prospecting, exploitation, production technology, and cooperation with foreign countries. Since 1966 when the Bohai Corporation was established, it has drilled and explored 217 wells and discovered eight oil and gas pools and 35 oil-bearing structures containing the oil geological reserves of 601.8 million tons and the natural gas reserves of 22.175 billion cubic meters. Meanwhile, it has established seven offshore oil and gas fields to increase the crude oil production capacity from 64,000 tons in 1975 to 1.1 million tons in 1993. Vice Premier Zou showed great interest in the domesticization of the advanced technology and equipment of the oil field. He also listened attentively to an introduction on the Suizhong 36-1 Oil Field, the first large offshore oil field prospected and developed by China, which was put into production not long ago.

After this, Vice Premier Zou and his party visited the computer charting room and conduit shelf of the Bohai Platform Company. In the conduit shelf, Vice Premier Zou warmly shook hands with Liu Guizhi, a national woman model worker, and highly praised the dedicating spirit of this high-grade electric welder. In the wharf of the Bohai Oil Field, Vice Premier Zou also boarded a working ship to greet all the crewmen and personnel.

At 0930, Vice Premier Zou and his party left for Liaodong Bay in Bohai Sea to cut ribbon for the inauguration of the

experimental zone of the Suizhong 36-1 Oil Field. Leading comrades of State Council and pertinent ministries and committees also went to the Liaodong Bay together.

Zou Jiahua Attends Launching of Guangdong Airlines Group

OW1010135093 Beijing XINHUA in English 1339 GMT 10 Oct 93

[Text] Guangzhou, October 10 (XINHUA)—The China Southern Airlines Group, one of the first 55 group corporations to be formed as part of the State Council's program to develop enterprise conglomerates, was launched here today.

Vice-Premier Zou Jiahua, and the party chief of Guangdong Province, Xie Fei, spoke at the launch, held in Guangzhou, the capital of the province.

Zou said that the founding of the group and 54 others was aimed at enhancing the leading role of large state-owned enterprises in the national economy under the socialist market economy and improving their international competitiveness.

Zou said the airline had been growing rapidly both in business volume and economic returns. He hoped the new group would focus on improvement of safety and quality of service in its development, in a bid to build itself into a first-class aviation enterprise in China.

The new group's core is China Southern Airlines, which now has 101 aircraft flying 130 domestic and 18 international routes.

In 1992, the airline carried 8.04 million passengers, accounting for 33 percent of the air passenger volume of the whole nation, according to its general manager, Yu Yanen.

Yu said the new group will expand its business from air transport to express air mail, import and export, advertising, air catering, hotels and tourism.

He said that the headquarters of the new group will be in Guangzhou. The group will set up subsidiaries in Henan, Hubei, Hunan, Hainan and other provinces and cities.

The director of the Civil Aviation Administration of China, Jiang Zhuping, and nearly 600 public figures took part in today's ceremony.

New Railway Passenger Car Production Begins

OW1210160893 Beijing XINHUA in English 1417 GMT 12 Oct 93

[Text] Changchun, October 12 (XINHUA)—China has started producing model 25 railway passenger cars so as to replace the model 22 ones now in operation.

The Changchun Railway Car Plant, which accounts for half of the railway car production in China, has already stopped the manufacture of the model 22 cars which have been used in China for more than 30 years.

The model 25 is widely used in other countries.

A plant manager said that his plant has started manufacturing the new type. Railway car plants in Tangshan city of Hebei Province, Nanjing city of Jiangsu Province and Qingdao city of Shandong Province have also mass produced the car.

New passenger cars are projected to take up half of the national railway passenger car production this year and 85 percent in the coming year.

China has total railway lines of 50,000 kilometers. Each year, more than one billion passengers ride the rails.

The model 25 car is planned to be turned out in more than ten varieties.

New Railroad Expected To Contribute to Local Tourism

OW1310020893 Beijing XINHUA in English 0107 GMT 13 Oct 93

[Text] Wuhan, October 13 (XINHUA)—The construction of the Beijing-Kowloon railway is expected to open a hot new tourist route in China, some observers predict.

The 2,538-km new railway, which is now under intense construction, will pass through nine provinces and municipalities, including Beijing, Hebei, Henan, Anhui, Jiangxi, Guangdong and Hong Kong.

While the project is proceeding smoothly, the government has pinned high hopes on it as a chance to revive local economies and benefit the national economy as well.

In the meantime, local people along the new line want to cash in on the project by developing tourism.

In the areas along the route, there are a dozen well-known tourist zones, such as numerous scenic areas and historical sites in the capital city of Beijing and memorials in Nanchang city and the Jinggang mountain area, both in Jiangxi Province, where Communist Party-led troops fought the first armed battles against the old regime.

Now, locals are enthusiastically rebuilding old scenic spots and erecting a large number of new tourist attractions. In Yuncheng County, for instance, a museum is being built in memory of the famous peasant uprisings during the Song Dynasty (960-1279) depicted in the classic novel *Outlaws of the Marsh*.

In the Jinggang mountain area, local people hope to attract more tourists to visit its 60-odd scenic and historical spots to pay tribute to revolutionary martyrs killed in the fierce battles.

Meanwhile, local builders taking part in the road construction want to pump their own ideas into the building of railway facilities.

In the town of Juancheng in Shandong Province, local people want to build the local station in the traditional style so as to remember Sun Bin, ancient strategist in the spring-autumn period (770-476 b.c.), who is believed to be a native of the town.

Minority Nationality Roads Help Border Trade

OW1110082293 Beijing XINHUA in English 0720
GMT 11 Oct 93

[Text] Urumqi, October 11 (XINHUA)—To facilitate the bustling border trade, China's minority nationality regions have launched a massive road construction campaign.

China's minority nationality regions are mainly Inner Mongolia, the Xinjiang Uygur Autonomous Region, Tibet, and southwest China's Yunnan Province and Guangxi Zhuang Autonomous Region.

Making up 64 percent of the country's total area, these regions share 22,000 kilometers of border with more than a dozen countries, including Russia, Mongolia, Pakistan, India and Vietnam.

During the past three years, China has opened 64 border posts and more than 150 across-the-border routes for international border trade.

However, the busier border trade has highlighted the backwardness of infrastructural facilities in these minority nationality regions.

Governmental sources say that more than 3,000 kilometers of railways will be built in northwest China by the end of 1995.

Currently, railway construction, which includes a double track along the Lanzhou-Xinjiang railway, the sole railway linking Xinjiang with inland areas, is going on on major railway lines in northwest China.

Renovation of two highways linking Tibet with nearby provinces has also started, while southwest China's four provinces are jointly building a passage to the sea.

Guangxi has allocated 72 percent of its total budget on transportation, communications and energy projects this year.

Construction of a 5,400-km highway linking 14 border posts is also going on.

Targeting Russia, Mongolia and Eastern European countries for border trade, Xinjiang has decided to expand the Urumqi airport.

Nation To Develop Marine Resources Over 30 Years

OW1010031293 Beijing XINHUA in English 0221
GMT 10 Oct 93

[Text] Tianjin, October 10 (XINHUA)—China plans to develop its marine industries by 11 to 13 percent in output value a year over the next 30 years.

The decision was made at a national meeting on development of marine industries yesterday [9 October].

According to the decision, China's ability to tap the marine resources will rank among the most advanced countries in the world by the year 2020.

China's exploitation of the sea resources takes the traditional forms of fishery, ocean transportation and salt mining.

Currently, the output value of the Chinese marine industries makes up only 1.2 percent of the country's total output value.

Compared with advanced countries, experts say, China has lagged behind in beach farming, mining, ocean services and tourism.

China has 17,700 sq km of sea beaches, 14.8 billion tons of oil on its continental shelf, numerous deep-water ports and rich tourism resources to tap.

According to a report drafted by experts, China will strengthen exploitation of sea shores, islands, and shallow waters.

The South China Sea is listed as one of the major regions China will exploit, according to the report.

Experts also emphasized the importance of environmental protection at the meeting.

Minister Urges Easing Farmers' Financial Burdens

HK1110040693 Beijing CHINA DAILY in English
11 Oct 93 p 3

[Text] More should be done to lift farmers' financial burden, a senior agricultural official said yesterday.

The move was vital to protect the country's 900 million farmers and boost rural economic development, said Liu Jiang, Minister of Agriculture.

"We must be always on the alert for the problem and we will not stop until we free our farmers from all random and arbitrary economic and social burdens," he said.

Because of various taxes and levies, farmers' income has tumbled in recent years compared to people in most other jobs.

And in some places, the more grain farmers produce, the more money they lose because of official mismanagement and the current irrational economic structure.

Some departments and local authorities have taken advantage of the transition of economic reforms to bleed the farmers of more and more cash through levies and labour duties.

In many places the burden has become unbearable, said Liu, and so agricultural production is seriously affected.

And he said the problem had caused great concern in the central government since it became the most pressing obstacle to rural reform and the development of a rural market economy.

The government has made several moves in recent years to ease farmers' financial burden.

Earlier this year, it stopped a swathe of duties and charges levied by various ministries and departments.

And China's first "Agricultural Law" was approved by the Standing Committee of the National People's Congress in July. This enabled farmers and rural organizations to protect themselves from illegal levies and duties.

In addition, a joint inspection team composed of officials from the ministries of agriculture, supervision, and finance, as well as from the State Planning Commission and the Bureau of Legislative Affairs, was sent early this year to the country's rural areas to supervise the implementation of laws, regulations, and announcements.

This autumn, the Ministry of Agriculture sent nearly 400 officials to villages to oversee government policy and to report what's happening.

"Obvious progress has been made thanks to the efforts from the central and local governments," said the minister.

It is estimated that China's farmers saved more than 10 billion yuan (\$1.7 billion) as a result of the block put on various charges.

But Liu said the problem was still unresolved and some local authorities continued to tax farmers illegally.

The State Council says farmers should pay no more than 6 percent of their income to central and local governments a year.

But farmers in many regions, especially less developed ones, have been asked to cough up 10 percent or more.

Agriculture Ministry sources said more than 70 percent of complaints in January to July this year from rural areas involved excessive financial burdens and labour duties.

Official on 'National Unification' vs 'One China'

OW1310112593 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
23 Sep 93

[From the "Hookup" program]

[Text] Foreign Minister Chien Fu attended the Policy Coordination Committee of the Kuomintang Central Committee yesterday [23 September] to give an explanation concerning the controversy over his statement urging people not to talk about one China. Minister Chien said that his statement was directed against the issue of working to obtain membership in the United Nations, and that meanwhile, our basic national policy remains unchanged.

In addition, Minister Chien Fu also pointed out at a separate news conference that the expression national unification would be more helpful than the expression one China for the Republic of China [ROC] to win the support of other countries for its membership in the United Nations. He said so-called pragmatic diplomacy means we must refrain from using high-flown words. If we insist on saying the ROC is the sole legitimate government of China at the present stage, we are not implementing a pragmatic policy of diplomacy. The following is a report filed by (Liu Yu-mei):

[Begin recording] [(Liu)] As his recent statement that we should no longer talk about one China was called into question by the general public, Foreign Minister Chien Fu on the afternoon [of 23 September] openly offered an explanation. He pointed out: The ROC is explaining to the international community its desire to join the United Nations, and if it still insists on its stand of one China, the international community generally would believe one China refers to the PRC. Therefore, while we are making efforts related to the bid for UN membership, we should not talk about one China any more. He believed the expression national unification would be more helpful.

[Chien] If I ask someone to help me enter gain membership in the United Nations and if I talk to him about one China as soon as I approach him, he would say: One China already has a representative in the United Nations. Its nameplate is there. Therefore, under the circumstances, it would be inappropriate for me to talk a great deal about one China. I could mention, more or less, national unification, national unification, national unification. What does one China mean? It means national unification. Because the expression one China is harmful to our efforts to join the United Nations, why don't we change the expression to national unification? Would communist China oppose national unification? Does communist China oppose national unification? Let's not be so afraid.

[(Liu)] Chien Fu pointed out: The international community was forced to make a choice between the ROC and the PRC in May 1991 before we terminated the period of mobilization for suppressing the communist rebellion. However, now that the period has been terminated, we are

implementing a policy of pragmatic diplomacy. Pragmatic diplomacy means we must refrain from using high-flown words.

[Chien] What does pragmatic diplomacy mean? It means we must refrain from using high-flown words. Today, we effectively have jurisdiction over Taiwan, Penghu [Pescadores], Kinmen [Quemoy], and Matsu. Why do I say Taiwan, Penghu, Kinmen, and Matsu? That's because they are the areas over which we have effective jurisdiction. I do not think I would like to go back there again to tell people that there is only one China, that Taiwan is a part of China, that only the ROC is the sole legitimate government, and that we will make a clean break with you if you develop diplomatic relations with anyone else. That is not pragmatic.

[(Liu)] Chien Fu pointed out that we cannot use simple words or phrases to define the China issue and that reading the simple headlines in newspapers and periodicals alone is apt to lead people to many associations which he himself would not like to predict. The above is a report filed by (Liu Yu-mei), a correspondent of the Broadcasting Corporation of China, at the Foreign Ministry. [end recording]

IMF Reports Taipei 'Registered Trade Surplus'

OW0910091893 Taipei CNA in English 0751 GMT
9 Oct 93

[By T. C. Hu]

[Text] Washington, Oct. 8 (CNA)—Among the five largest trading economies in Asia, Taiwan was the only one which registered a trade surplus in the second quarter of 1993, according to the International Monetary Fund [IMF].

The IMF also reported that Taiwan's export volume surpassed that of Mainland China, South Korea and Singapore to put it in second place.

Hong Kong remained the largest importer and exporter among the five Asian trade giants, they said.

The IMF statistics showed that Taiwan's exports grew 4.31 percent to US\$21.8 billion in the second quarter of 1993, up from US\$20.9 billion a year ago.

Taiwan imported US\$19.9 billion worth of goods in the second quarter of 1993, an increase of 8.74 percent from US\$18.3 billion in the same period of last year.

As a consequence, Taiwan enjoyed a trade surplus of US\$1.9 billion in the second quarter of 1993. Each one of the four other Asian largest trading economies experienced a trade deficit during the period, ranging from US\$500 million to US\$3 billion.

Mainland China's trade balance shifted to a deficit of US\$2.3 billion in the second quarter of this year, from a surplus of US\$1.3 billion in the same period of 1992.

Control Yuan Releases Report on Assets of Lien*OW0910085293 Taipei CNA in English 0835 GMT
9 Oct 93*

[By Sofia Wu]

[Text] Taipei, Oct. 9 (CNA)—Premier Lien Chan is one of the richest government leaders in the world, with family assets estimated at more than NT [New Taiwan] \$10 billion (US\$370.37 million).

The Control Yuan Saturday [9 October] released a special report detailing the family assets of 90 high-ranking public office holders in line with a "sunshine law" passed earlier this year.

Under the law, more than 20,000 senior government officials, elected people's representatives and law enforcement officers must make public disclosure of their family assets.

The law is part of the government's effort to eliminate graft and corruption from politics.

The Control Yuan report shows Premier Lien holds 11 lots of land and owns 26 houses, most of them located in Taipei's bustling Shihlin District.

In addition, he and his wife have securities with a combined face value of more than NT\$491 million (US\$18.19 million) and about NT\$40 million (US\$1.48 million) in bank deposits, jewels and golf club memberships.

President Li Teng-hui does not own any real estate, but his wife has a yet-to-be-completed villa in Taoyuan under her name. The first couple has some NT\$50 million (US\$1.85 million) in bank deposits, jewels and golf club memberships, the yuan revealed.

Several other public office holders, including Vice President Li Yuan-zu, Interior Minister Wu Poh-hsiung, Legislative Yuan President Liu Sung-fan, Judicial Yuan President Lin Yang-kang and Examination Yuan President Chiu Chuang-huan, also hold family assets worth billions of NT dollars.

The Control Yuan will publish reports on family assets of other public office holders later this month.

Civil Nuclear Cooperation Meeting With U.S.*OW1310090593 Taipei CNA in English 0845 GMT
13 Oct 93*

[By Debbie Kuo]

[Text] Hengchuen, Southern Taiwan, Oct. 13 (CNA)—As nuclear power is playing an increasingly important role in Taiwan's economic development, civil nuclear cooperation between the United States and the Republic of China [ROC] is expected to increase in coming years, a top ROC official in charge of nuclear industry said here Wednesday [13 October].

Dr. Hsu Yih-yun, chairman of the cabinet-level Atomic Energy Council (AEC), said in a keynote speech opening

the meeting on civil nuclear cooperation Wednesday morning that US and ROC officials and specialists will review cooperation projects implemented during the past year and discuss problems resulting from the cooperation.

Hsu said Taiwan and the United States have signed contracts for 67 civil nuclear cooperation projects, of which nine have been completed. Another 19 programs, 18 of them initiated by Taiwan, will be added to the cooperation list this year, he said.

The AEC chairman said he expects specialists from the US will introduce the latest information on nuclear energy and peaceful applications of nuclear power to their Taiwan counterparts during the two-day meeting.

A 22-member US delegation is taking part in the meeting. Members of the delegation included Forrest Remick, commissioner of the US Nuclear Regulatory Commission, Richard Stratford from the Department of State, E.C. Brolin, director of the Office of Nuclear Energy under the Department of Energy, and Deborah Schwartz, Economic Section chief of the American Institute in Taiwan.

The ROC delegation, headed by Hsu, is comprised of AEC officials, scientists from the Institute of Nuclear Energy Research, the Radwast Administration, the Taiwan Radiation Monitoring Center, and engineers from National Tsing Hwa University and the Taiwan Power Company.

The meeting is being held at the Kenting Caesar Park Hotel at the southernmost tip of Taiwan.

Vietnamese Refugee Ship Departs Keelung for Japan*OW0910141093 Taipei CNA in English 1342 GMT
9 Oct 93*

[By Lilian Wu]

[Text] Taipei, Oct. 9 (CNA)—A Vietnamese refugee ship left Keelung Saturday [9 October] under the escort of police.

The ship, with 66 Vietnamese refugees aboard, docked in Keelung after developing engine trouble on Sept. 18.

A new engine was installed in the ship after technicians were unable to repair the original one.

The refugees said they would continue their trip to Japan.

Taipei To Discuss Tariff Reductions With GATT*OW1310084593 Taipei CNA in English 0809 GMT
13 Oct 93*

[By P.C. Tang and Y.C. Tsai]

[Text] Geneva, Oct. 12 (CNA)—Taiwan on Tuesday [12 October] expressed a strong desire to enter into tariff negotiations with contracting parties of the Geneva-based General Agreement on Tariffs and Trade (GATT).

Vice Economic Affairs Minister Sheu Ke-sheng, who led a 40-member delegation from Taipei to the fourth meeting of the GATT working party on Taiwan's membership

application, made the statement at the opening of the meeting which will last through Oct. 15.

Sheu called on GATT members to submit their requests for customs duty cuts as soon as possible in order to facilitate Taiwan's review of its overall tariff structure in conjunction with the accession negotiations.

Meanwhile, the vice minister pointed out that certain sectors in Taiwan need a transitional period to fully comply with all the GATT requirements.

The sectors include import restrictions on some kinds of cars and farm products, the government monopoly on wine and cigarettes, and aviation industry subsidies.

In respect to the Tokyo round codes, Sheu said Taiwan is prepared to consult with GATT members on government procurement at the time of accession, but hopes to have a transitional period to meet the code on trade in civil aircraft.

Later in the meeting, major contracting parties of the world trade regulating body such as the United States, the European Community [EC], Japan, and Canada urged Taiwan to overhaul its trade measures.

Dorthy Dwoskin [spelling of name as received], the US chief delegate to the working meeting, reiterated American support for Taiwan's membership, which she said hinges on whether Taiwan can fulfill its economic obligations as an industrialized country. Dwoskin is the US assistant trade representative in charge of GATT affairs.

Taiwan should no longer maintain outdated trade practices, many of which are not in line with GATT codes and are barriers to international trade, she stressed.

The US delegate also asked Taiwan to lower customs duties and to eliminate non-tariff trade barriers.

The EC also made a statement, whose contents were almost the same as those of the United States.

Japan, while insisting Taiwan relax all trade barriers before becoming a full member, said it would not hold bilateral talks with Taiwan until discriminative trade measures against Japan are lifted.

Canada stressed that talks should be held on a multilateral rather than bilateral basis. Delegates from Australia, Singapore, and Chile also spoke at the meeting asking Taiwan to effectively eliminate trade barriers prior to its entry into the GATT.

Discussions on the first day of the four-day working party meeting, mainly focusing on agricultural subsidies, foreign exchange controls, the opening of the insurance market, and financial policy, followed those at the third working meeting in July. The other two previous meetings took place in November 1992 and April 1993 respectively.

Taiwan was accepted as a GATT observer last year.

Premier Lien Meets Salvadoran Ruling Party Head

OW0910141293 Taipei CNA in English 1338 GMT
9 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 9 (CNA)—Premier Lien Chan expressed gratitude to El Salvador Saturday [9 October] for supporting the Republic of China [ROC]'s bid to re-enter the United Nations.

During a meeting at the Executive Yuan with Armando Calderon Sol, a Salvadoran presidential candidate, Lien said Taipei will undauntedly continue its UN quest until successful.

Lien warmly welcomed Calderon, who is one of many foreign dignitaries in Taiwan for National Day celebrations.

Calderon is currently chairman of the National Republican Alliance, El Salvador's ruling party.

Lien, who had been an ROC diplomat to El Salvador for two years, expressed his admiration of El Salvador's recovery from years of civil war.

He told Calderon that the ROC and El Salvador should try to strengthen ties. "Many cooperative projects can be implemented through the Central American Bank Bank for Economic Integratin in which Taipei is a contracting member," he said.

President Li Decorates IOC President

OW0910094893 Taipei CNA in English 0824 GMT
9 Oct 93

[By Lilian Wu]

[Text] Taipei, Oct. 9 (CNA)—President Li Teng-hui Saturday [8 October] conferred the order of propitious clouds on Juan Antonio Samaranch, president of the International Olympic Committee [IOC].

The president conferred the medal in recognition of Samaranch's contributions to the international community.

Samaranch said he was honored to receive the medal and thanked the government and the people of the Republic of China [ROC] for their warmth and hospitality.

Earlier in the day, the IOC president was awarded an honorary doctorate from Fu Jen Catholic University.

In accepting the honorary degree, Samaranch praised the ROC's efforts toward the promotion of sports.

He said the Olympic games prove that an international sports meet can bring together young athletes from different political regimes to compete in a spirit of friendship. He added that a well-organized sports program, combined with culture and a good education, can do much to improve mankind.

Li Chen-ying, president of Fu Jen University, spoke highly of Samaranch's contributions to sports and world peace, especially his efforts in keeping sports free from political meddling.

The IOC president arrived here Thursday for a three-day visit.

Economic Ministry To Host Business Symposium

*OW1310084493 Taipei CNA in English 0741 GMT
13 Oct 93*

[By Lillian Lin]

[Text] Taipei, Oct. 13 (CNA)—Economics Minister P.K. Chiang Thursday [14 October] will hear the opinions of American and European business executives based in Taipei on Taiwan's prospects to develop into a regional business operations center for the Asia-Pacific.

Minister Chiang will chair a symposium on the issues involved at the Ministry of Economic Affairs Thursday afternoon.

The economics minister hopes to impress the foreign businessmen with Taiwan's potential.

Among the guests invited will also be lawyers and accountants. A partner of the Li and Li attorneys-at-law practice will brief participants on the internationalization of Taiwan's enterprises and the potential of a regional business center based in Taiwan.

Trade With Indonesia Developing 'Rapidly'

*OW0910092093 Taipei CNA in English 0800 GMT
9 Oct 93*

[By Wu Ping-chiang]

[Text] Jakarta, Oct. 8 (CNA)—Bilateral trade and economic cooperation between Indonesia and Taiwan has developed rapidly during the last five years, according to an interview appearing in the October 9 issue of the *ECONOMIC & BUSINESS REVIEW INDONESIA*.

The news weekly quoted David Y.S. Tzou, director of the Information Division of the Taipei Economic & Trade Office here as saying that bilateral trade between Taiwan and Indonesia topped US\$2.6 billion last year, with Indonesia enjoying a trade surplus of more than US\$300 million.

Tzou forecast that trade will reach at least US\$3 billion in 1993 due to improvements in the quality of Indonesian products and greater openness of Taiwan's markets to Indonesian products.

The main commodities exported to Taiwan are liquefied natural gas, coal, wood products and chemical products. Imports from Taiwan include machinery and equipment, textiles, semi-processed metal products, electronic goods and plastic wares.

Tzou explained to *ECONOMIC & BUSINESS REVIEW INDONESIA* that Taiwan supported the Indonesian policy to encourage exports of non-oil/gas commodities. Taiwan would step up imports of other goods to support the plan, he said.

Shipyard May Produce Patrol Boats With French

*OW0910084893 Taipei CNA in English 0830 GMT
9 Oct 93*

[By Sofia Wu]

[Text] Taipei, Oct. 9 (CNA)—A southern Taiwan shipbuilding company confirmed Saturday [9 October] it is negotiating with a French shipyard for joint construction of offshore patrol vessels.

A spokesman for the Kaohsiung-based Lien Ho Shipbuilding Co., said the company was commissioned by the National Police Administration (NPA) to talk with shipyards in France, Britain, Denmark and Finland about the possible cooperation project.

The NPA wants to purchase new offshore patrol boats to strengthen protection of the country's fishery resources and oil facilities as well as to prevent smuggling and other criminal activities in coastal regions, the spokesman noted.

"Among foreign shipbuilders we have contacted, Leroux et Lotz of France is the most active in seeking cooperation with us," the spokesman said.

The ship design presented by the French firm meets NPA requirements, the spokesman revealed, adding the two sides are optimistic about cooperation prospects.

Nevertheless, he said, the cooperation project has not yet been finalized. "It is still pending an open tender," he noted.

If the project is finalized, the spokesman said, the French firm will transfer ship design and construction technologies to Lien Ho. It also agrees to present a list of suppliers of major components and parts so that Taiwan shipyards will one day be able to construct patrol boats on their own.

Foreign wire service reports quoted Leroux et Lotz sources as saying Thursday that the firm is negotiating with a Taiwan shipyard for joint construction of 10 offshore patrol vessels with a displacement of 500 tons. The two will jointly build hulls and Taiwan's Chungshan Institute of Science and Technology will be responsible for installing weapon systems.

If all goes well, the reports said, the first of the 60-meter (200-foot) long vessels will be launched in 1995.

Hong Kong

13th Round Sino-UK Talks End With 'Little Progress'

HK1210155193 Hong Kong Asia Television Limited in English 1200 GMT 12 Oct 93

[From the "Main News" program]

[Excerpts] The 13th round of Sino-British talks on political reform in Hong Kong has ended in Beijing with little progress being made. The British team leader, Sir Robin McLaren, described the discussions as intense, but admitted that he was disappointed with the outcome. As Libby-Jane Charleston reports from Beijing, the two sides will meet again next week:

[Begin recording] [Charleston] The 13th round began on a stormy note with Deputy Foreign Minister Jiang Enzhu repeating China's threat to dismantle the Legislative Council after 1997 if no agreement is reached on Hong Kong's political future. Both sides say they're optimistic a positive outcome can be achieved, but in the face of this latest round's apparent stalemate, a solution appears some time away. And time is running out. Beijing and Britain both acknowledge that only months remain before the 1994-95 elections and still no progress has been made on either the through-train issue or the electoral arrangements. The British team leader says he is not satisfied with the latest discussions and says criticism by the Chinese side that the British have veered away from the Basic Law does nothing to help matters.

[McLaren] We believe in what the Joint Declaration says, that the transition is a matter for cooperation between the British and Chinese sides. We intend to cooperate, and we're slightly surprised if we hear statements suggesting that others don't regard cooperation as important as we do. [sentence as heard]

[Charleston] As to whether Britain is making concessions on the governor's political reform package, Sir Robin says the proposals have always been open for discussion and have never intended to be on a take-it-or-leave-it basis. Libby-Jane Charleston, ATV News, Beijing. [end recording] [passage omitted]

Despite Mr. Patten's criticism, China has continued the attacks on him and his political package. However, London says the lack of effort from the Chinese is the reason for the lack of progress in the Sino-British talks. Morland Sanders reports:

[Begin recording] [Sanders] The Hong Kong and Macao affairs director, Lu Ping, frequently has to be chased for an interview, but this time he made a purposeful effort to have his words recorded. He started by comparing Mr. Patten to a bad sprinter, saying the introduction of his political reform package should be compared to a false start. Mr. Lu said the governor must go back to the starting line by withdrawing his proposals.

[Lu, in Mandarin, with English subtitles provided; translated from the Mandarin] We not only hope for a smooth

transition in politics, we also hope for a smooth transition in economic affairs; and this calls for close cooperation between the Chinese and British sides. This is clearly stated in the Joint Declaration. [end recording]

Unsurprisingly, London disagrees. Minister With Special Responsibility for Hong Kong Alistair Goodlad told legislative councillors that Britain has made a serious effort to meet Chinese concerns. He states that hasn't been reciprocated on the Chinese side.

[Begin recording] [Goodlad] We very much hope that we will have a successful conclusion to the talks, leading to elections that are fair and open; and that the proposals will be acceptable to the people of Hong Kong; and we attach great importance to the through train.

A former Joint Declaration drafter and British ambassador [Richard Evans] says it's still possible both sides have some ground to give.

[Evans, identified by screen caption] You never know the final Chinese position until the final session of any negotiation, whether it's political or a commercial negotiation. But I would also say that this is not just the Chinese. It's characteristic of everyone I've negotiated with.

However, political sources on both sides, together with the Hong Kong public, are now viewing no Sino-British agreement as virtual reality. [end recording]

The government has rejected Chinese proposals that separate discussions be held on the various elections to be held in 1994 and 1995. Yuen Chan reports:

[Begin recording] [Chan] The governor, Mr. Patten, says nothing would be achieved by dealing separately with different elections. He's repeated time's running out and insists legislation for the polls must be in place by the end of next July.

[Patten] If Mr. Qian Qichen and other Chinese officials are saying: Well, we'll help speed things up by agreeing with you about the DB [District Board] elections, about the municipal council elections, about the voting age, about the method of election in geographical seats; we'll agree with you about that so you can get on with it—if that's what they are saying, fine. But alas, that's not what they're saying.

It was revealed yesterday that Chinese Foreign Minister Qian Qichen had suggested to the British Foreign Secretary Douglas Hurd that negotiations be held for the different sets of elections. The British rejected the move. [passage omitted] [end recording]

Talks Marred by Public 'Hostility'

PM1210120293 London THE DAILY TELEGRAPH in English 12 Oct 93 p 13

[Graham Hutchings report: "Off Come Diplomatic Gloves As Hong Kong Talks Turn Hostile"]

[Text] Hong Kong—Diplomatic etiquette took a back seat yesterday as British and Chinese officials resumed marathon talks on Hong Kong's future with public displays of hostility.

The opening day of previous talks in Beijing has usually been the occasion for light-hearted and courteous remarks.

But yesterday, impatience with the failure of 12 rounds of talks to make any progress in the dispute over plans for political reform spilled over into angry exchanges.

As the 13th round began at Beijing's Diaoyutai State Guest House, Jiang Enzhu, Chinese Foreign Vice-Minister, surprised Sir Robin McLaren, British Ambassador, by telling reporters the argument was nothing to do with democracy.

"The essence of the dispute at present is not whether one wants democracy or not in Hong Kong; it's whether or not one country should have good faith in diplomacy between two countries," Jiang said.

If the talks failed, it would be Britain's fault entirely, and China would not recognise the results of any elections conducted without its agreement.

This would mean the end of the "through train" arrangement, under which local legislators elected in 1995 would be allowed to remain in office after China regains sovereignty over Hong Kong in 1997.

Instead, China would dissolve the Legislative Council on July 1, 1997, and order fresh elections on the basis of a narrower franchise.

Jiang said plans by Mr. Chris Patten, the Governor, to expand the franchise for the final elections under British rule lacked popular support in the territory.

He described as "yet another obstacle" Mr. Patten's remarks during his annual address to the Legislative Council last week that an agreement with China had to be reached "in weeks, not months".

Jiang went on to accuse Sir Robin of leaking information by telling Hong Kong reporters there would be three further rounds of talks before Mr. Patten visited London next month to attend a Cabinet committee meeting on Hong Kong.

"Our talks are at a crossroads," Jiang said, in one of the few remarks Sir Robin could agree with.

The ambassador denied that Britain's plans violated previous agreements, but conceded there had always been an argument between the two sides as to the interpretation of the accords.

"You seemed to have set out your opening statement already," Sir Robin told Jiang with a sharp edge in his voice. However, after yesterday's session, Sir Robin managed to strike an upbeat note. He said: "We're not thinking at all in terms of there being no through train and no agreement. We are entirely positive in what we are doing."

Liberal Group Joins Call for Deal Over Elections

HK1110040093 Hong Kong SOUTH CHINA
MORNING POST in English 11 Oct 93 p 2

[By Doreen Cheung]

[Text] Liberal group Meeting Point yesterday joined calls for China and Britain to strike a deal on the 1994 district board elections independently of the 1995 Legco [Legislative Council] polls. The group is the fourth political party, following the Liberal Party, the Democratic Alliance for the Betterment of Hong Kong (DAB), and the Hong Kong Democratic Foundation, to call on both sides to treat sections of the Governor's electoral package separately.

Chairman of Meeting Point, Anthony Cheung Bing-leung, said it was technically feasible to separate the district board electoral arrangements from those of the Legislative Council. "It makes no big difference to us whether the electoral bill on the 1994 and the 1995 arrangements has been split or not. We will still support details such as lowering the voting age from 21 to 18 and the voting system of single seat, single vote," he said. Splitting the package into two would allow more time for both governments to continue to talk, he said. But Mr Cheung said he was not hopeful about the stances changing.

The British side had indicated the end of the year would be the natural deadline to allow time to prepare for the 1994 district board polls although the Legislative Council elections would only be held by 1995.

Henry Tang Ying-yen from the Liberal Party said it was better to resolve the district board electoral arrangements first. "The main controversy lies in the Legislative Council electoral arrangements," said Mr Tang, adding that the Government could try to go ahead with the less controversial items first.

But vice-chairman of the United Democrats of Hong Kong, Albert Ho Chun-yan, rejected the idea, saying final agreement on the whole package had a bearing on the district board polls.

Lu Ping: Patten Plan Shows UK 'Not Willing' To Cooperate

OW1210153393 Beijing XINHUA in English 1454
GMT 12 Oct 93

[Text] Beijing, October 12 (XINHUA)—A high-ranking Chinese official said here today that the Chinese Government is responsible for and confident in maintaining Hong Kong's prosperity and stability, and a smooth transfer of power if an agreement cannot be reached in the Sino-British talks.

Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, made this remark while answering questions raised by reporters before meeting with a delegation from the Liberal Party of Hong Kong.

Lu affirmed that the Chinese side does not want to see a failure to reach an agreement.

In view of the current talks, he said, separate arrangements for elections in 1994 and 1995 are possible.

Since the two sides diverge little on the arrangements for elections in 1994, the problem can be solved, he added.

This measure is in keeping with the aspirations of people in Hong Kong, Lu said.

However, he said, whether or not the problem can be solved depends on the sincerity of the British side.

If the British side sticks to Chris Patten's plan, it shows that Britain is not willing to cooperate with the Chinese side to realize the smooth transfer of power, Lu said.

Under these circumstances, he said, it is difficult to assure that Hong Kong's economy will not be affected.

Lu said that the Chinese side wants to see not only a smooth political transfer, but also a consistently prosperous economy in Hong Kong.

To this end, he said, China will do its best to reach a good agreement with the British side.

The Chinese side also hopes that the British side will show similar sincerity, Lu said.

XINHUA Office Locks Out Pro-Democracy Group

HK1010081893 Hong Kong THE SUNDAY
STANDARD in English 10 Oct 93 p 4

[By staff reporters: "XINHUA Locks Out Democracy Group"]

[Text] Members of a Hong Kong pro-democracy group were yesterday locked out of the XINHUA NEWS AGENCY when they arrived to present a petition to the Chinese authorities. Members of Full Democracy in '95 arrived at the building during office hours to find the doors locked. There was a heated exchange between the group's convener, Emily Lau, and employees watching from behind the locked glass doors.

Lau said Xinhua employees knew about the group's visit and temporarily closed the office. She said the doors were opened several minutes later. Another Full Democracy member went into the building with the petition but was told to leave.

"I am furious that the Chinese government's representative in Hong Kong should behave like this," Lau said. "Just because you don't agree with someone's view it does not mean you shut your eyes and ears to their views." The petition, carrying more than 10,000 signatures calling for democratic elections in 1995, was dumped on the doorstep of XINHUA's building.

Commission Says Graft Complaints At 'Record' High

HK0910081393 Hong Kong SOUTH CHINA
MORNING POST in English 9 Oct 93 pp 1, 4

[By S.Y. Yue and Louis Ng]

[Text] Complaints against graft have reached a record, comparable with figures when the Independent Commission Against Corruption (ICAC) was set up 19 years ago. The rising trend was revealed yesterday by ICAC commissioner Bertrand de Speville who will go to Guangdong and Beijing on Monday [11 October] to discuss cross-border co-operation on information exchange and case referral on corruption.

Mr de Speville said monthly levels of corruption complaints this year had been higher than at any time since 1975. In the first nine months this year, the ICAC received 2,445 corruption reports 169 more than the whole of last year. "We have not seen such a figure since 1974 and 1975 when the commission apparently reaped the pent up concern of the public from pre-ICAC days," Mr de Speville said.

"These figures, while giving cause for concern, also provide encouraging signs; they show that the community will not tolerate corruption; they show that the community, by reporting, expects the commission to do something about it." Mr de Speville said the number of complaints would exceed 3,000 by the end of the year if the present rate of reporting continued. The figure will be comparable with the total number of complaints of 3,189 and 3,179 in 1974 and 1975 respectively.

To tackle the increase, the ICAC will have an additional investigation team comprising 40 officers and create a second deputy director of operation post with additional resources promised by Governor Chris Patten in his second policy address. Fight Crime Committee member Justein Wong Chun said the jump in corruption complaints was alarming and a cause for public concern. "Unless the ICAC demonstrates that corruption is not to be tolerated, the general public may have the impression that bribery is the way to do business. People will be tempted to bribe to get their way," Mr Wong said.

Kroll Associates, a corporate intelligence company doubted if the ICAC even with its additional resources could keep pace with the increase in graft. The company's director of operations Stephen Vickers said they had detected a substantial increase in corruption activity, some of which was not reported.

Mr Vickers said those who have made money in fraudulent, triad and organised activities are moving into foreign exchange and semi-legitimate businesses. "Their business practice is quite different from that of normal businessmen," Mr Vickers said. He advised the public to exercise due diligence before participating in joint ventures with companies which were cash-rich and looked attractive on the surface.

Since 1989, 359 China-related allegations were received. Among them, 65 were received so far this year and another 65 were received last year. Mr de Speville said he wanted to step up co-operation with China on the operation front since it was limited to taking witness statements. He would discuss with the Chinese side information exchange and case referral.

United Democrat Lee Wing-tat agreed that Hong Kong should establish a case referral system with its Chinese counterparts. "Many businessmen told me that they were indeed afraid of reporting to the Chinese authority," he said. "They lacked the confidence and were afraid of very grim consequences," he said. Mr Lee proposed a referral system by which local businessmen could report to the ICAC on cases of corruption in China and the ICAC would in turn refer the cases to the concerned Chinese provincial procuratorate.

Another United Democrat legislator James To Kun-sun said the Government should consider if the ambit of the ICAC could be extended to combat corruption related to Hong Kong but taking place outside the territory. Mr To said the Government was avoiding the crux of the problem if the ICAC could not exercise its power on corruption cases occurring outside Hong Kong.

Representative of the General Chamber of Commerce, Jimmy McGregor asked if the ICAC was escaping the crux of the problem if it failed act against the enormous cases of Hong Kong-related corruption taking place in China.

Mr de Speville admitted the situation could not be changed overnight. He added: "It's an uphill task." The ICAC commissioner will be accompanied by acting deputy director of operations Tony Kwok Man-wai, the director of Prevention Tony Scott and the director of Community Relations Eddie So Chuen-ye for a visit to China on Monday.

Venture With Britain To Manage Civil Airports

HK0910063493 Hong Kong HSIANG KANG SHANG PAO in Chinese 4 Oct 93 p 1

[Report: "Hutchison Whampoa and the British Airport Administration To Cooperate in Investing in China's Airport Management Improvement Projects"]

[Text] The British Airport Administration and the Hong Kong Hutchison Whampoa Group intend to launch a joint-venture project to vigorously subsidize the expansion and management of civil airports in China.

Egan, chairman of the British Airport Administration, is scheduled to come to Hong Kong later this month and join hands with Hutchison Whampoa Chairman Li Ka-shing to submit the proposal for the project to China's civil aviation authorities.

Egan pointed out that the development of China's aviation industry has been the fastest in the world, "hence the future for our business is also encouraging. There is a huge shortage of transportation channels in China, and, as China develops, its aviation industry will flourish."

China's aviation industry has been flourishing, as a matter of fact. The 18-percent average annual business growth has put a great deal of pressure on mainland airports.

A consultant from the aviation industry has said: "The quality of airports in China is very poor. With the exception of Shanghai, airports in other areas require foreign assistance, both in investment and management."

Officials from China's Civil Aviation Administration have gone to different parts of the world to observe, study, and understand how advanced airports in other countries deal with a large number of passengers and reap handsome profits by providing passengers with various services.

The first proposal to be put forward by the British Airport Administration and Hutchison Whampoa targets the Guangzhou Airport. If successful, the project will be expanded to cover airports in Shanghai and Beijing. The two companies wish to conclude a long-term contract with the Chinese authorities, and the duration of contract may last as long as 50 years. The Chinese authorities have indicated, however, that they only want to conclude a contract for 20 years.

Hong Kong, Miami To Strengthen Economic Ties

OW1110154393 Beijing XINHUA in English 1428 GMT 11 Oct 93

[Text] Hong Kong, October 11 (XINHUA)—The Hong Kong Trade Development Council signed here today an agreement with Miami in the southern part of the United States to promote bilateral trade relations.

The agreement stipulates that both sides will regularly exchange trade information and provide every possible facility and assistance to businessmen and trade missions from each side.

Both sides also agreed to assist each other in holding trade fairs, exhibitions and expositions, and support exchange of visits by trade delegations and missions between the two places.

Representatives from the two sides said that the signing of the agreement is of great significance in promoting mutual economic cooperation between the two places, especially in providing Hong Kong a springboard to trade with Latin America.

Hong Kong [H.K.] has become the no. 1 source for imports into the port of Miami, with its trade with Latin America going up to 30,150 million H.K. dollars (3,865 million U.S. dollars) in 1992 from 5,647 million H.K. dollars (723 million U.S. dollars) in 1986.

Miami's foreign trade with Latin America and the Caribbean totalled 16.9 billion U.S. dollars, almost accounting for 73 percent of the city's total in 1992. This obviously makes the city a springboard to penetrate the Latin American market, a Miami representative said.

Mahathir 'Criticized' by Officials on Media Law

BK0810152593 Singapore BUSINESS TIMES in English 8 Oct 93 p 6

[From Catherine Ong in Hong Kong]

[Text] Hong Kong Government officials and legislators have criticised Malaysian Prime Minister Mahathir Mohamed for not getting his facts right before launching an attack on the colony's proposed law on cross-media ownership.

Dr. Mahathir had alleged, on Tuesday, that a draft Hong Kong law to prevent anyone from controlling both print and electronic media was aimed at Malaysia-born tycoon Robert Kuok.

Mr. Kuok recently signed a deal to buy a 34.9 percent stake in Hong Kong's leading English language newspaper, the SOUTH CHINA MORNING POST, from media baron Rupert Murdoch.

Mr. Kuok also owns a 31 percent interest in TVB, the leading TV station in Hong Kong.

"This (draft law) is apparently because now Robert Kuok, a Malaysian, seems to have some big shares in both the print and electronic media," Dr. Mahathir said.

"When Murdoch was having a lot of control, there was no such attempt made to reduce anyone's control," he added.

The Prime Minister's remarks were refuted by Hong Kong officials as well as the legislator who had mooted the debate 18 months ago which led to the proposed legislation.

The Deputy Secretary of Broadcasting, Entertainment and Administration, Rachel Cartland, said yesterday: "These laws were under consideration for a long time—it was the main subject of our 1992 Comprehensive Review of Television Broadcasting."

She added: "In fact, if time had allowed it, we would have dealt with the issue a lot earlier. Dr. Mahathir's comments are wrong."

The vice-convenor of the Legislative Council's recreation, culture and broadcasting panel, Man Sai Cheong, added that Dr. Mahathir was "not in touch with developments in Hong Kong".

"I initiated this debate about 18 months ago," he said.

Governor Chris Patten, asked by reporters, also said the legislation was contemplated long before Mr. Kuok bought into the POST.

He added that even if it was passed next year, it would not affect the Malaysian tycoon because the law would not be retrospective.

"If we have retrospective legislation for these sort of things, where do we stop?" he pointed out.

Dr. Mahathir, no fan of the Western media, had recently expressed concern over Mr. Murdoch's dominance of global television after the Australian-born businessman bought a controlling stake in Star TV, the Hong Kong-based regional satellite TV station.

Macao

Civil Servants Say Governor Spreading 'Terror'

HK0910080493 Hong Kong THE STANDARD in English 9 Oct 93 p 6

[By Harald Bruning in Macao]

[Text] Macao's powerful Civil Servants Association has accused Macao Governor General Vasco Rocha Vieira of "militarist" tendencies and spreading "terror" among the enclave's civil servants. Civil servants association leaders visiting Lisbon on Thursday [7 October] night charged that Rocha Vieira was "transforming himself into a viceroy of Macao".

Jorge Fao, president of the 5,000-member Macao Civil Servants Association, accused Rocha Vieira of having created an "atmosphere of terror" among the enclave's 15,000 civil servants. Macao Legislative Assembly deputy Alberto Noronha said that Rocha Vieira intended to "divide the Portuguese community" living there. The news reached Macao yesterday. Civil Servants Association activists complained they had been "marginalised" from the drafting process of a law that would allow Macao civil servants to be integrated into Portugal's civil service in the run-up to 1999, when Macao reverts to Chinese rule.

During their two-week visit, the civil service activists railed against Rocha Vieira and his "paternalistic and authoritarian administration". Rocha Vieira has been governor of Macao since April 1991. An adviser to Rocha Vieira told The Standard earlier this year the accusations were "nonsense". "The governor is the best friend of Macao's civil servants, fighting hard for their interests back home in Portugal," the adviser said. The Macao government did not immediately react to the accusations.

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